

The NATIONAL UNDERWRITER



SOUTH DAKOTA 1889

South Dakota, geographical center of North America, was settled at Sioux Falls in 1856 and thirty-three years later was the fortieth state to join the Union. Within its borders are about seventy thousand farms with livestock accounting for 70% of the state's total cash farm income. It ranks second in the production of rye and durum wheat, third in spring wheat and fourth in barley and wild hay. The processing of agricultural products and meat packing supersede all other manufacturing. Annually, lumber nets about two million dollars and valuable quantities of gold and silver are mined. Here is the nation's largest reserve of crude manganese. With an eye to the future, the state is concentrating on the vast Missouri River dam electric generation and irrigation projects. South Dakota is the pheasant hunter's paradise. Visitors flock to the Black Hills, highest peaks east of the Rockies, famous for unusual rock formations, and to the Badlands to see the interesting fossils of vertebrate animals. America's shrine of democracy is at Mt. Rushmore where the images of Washington, Lincoln, Jefferson and Theodore Roosevelt proclaim man's greatest sculptural feat. The Sunshine State, young and progressive, presents a rosy future for industrious insurance agents.



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THURSDAY, JULY 21, 1949



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Rhode Island Loses Mandate Suit in Cal. Appeals Court

Majority Opinion Gives Downey Wide Discretion— Company to Appeal

SAN FRANCISCO — The district court of appeals has handed down a decision refusing to issue a writ of mandate asked by Rhode Island Ins. Co. against Commissioner Downey to compel him to cease interfering with the business of the company.

The decision was on an appeal from the San Francisco superior court granting the commissioner an order of conservatorship. The appellate court denial was on a two to one basis.

The majority opinion held that Commissioner Downey was not required to show to the superior court (which issued the conservator order at his request) that the company was in fact in a hazardous condition. He was only required to show that he personally had "determined" or "found" the company to be in such condition.

Dissenting, Justice Ward differed sharply from the majority. He analyzed the insurance code section under which the commissioner acted and agreed with the majority opinion that the commissioner's determination and finding are controlling and then stated that this involved the good faith of the commissioner. Justice Ward stated: "It is not whether a merger occurred or a hazardous condition actually existed or that the Rhode Island was less than 2% insolvent, but whether the commissioner believed that any of such conditions existed."

Dissenting Opinion

Judge Ward pointed out that the commissioner had known most of the facts regarding Rhode Island's condition for almost a year, with two exceptions, and that every suggestion, request or demand made by the commissioner had been complied with except that it cease doing business in California (which the commissioner subsequently withdrew) and that the board chairman be removed.

Judge Ward stated: "The commissioner may not direct the change of the officers of the company. If the commissioner has the authority to 'fire' he also has the authority to 'hire.' This could lead to political dictatorship in insurance matters. The strange feature of this phase of the case is that the commissioner knows that he does not possess the authority to demand the removal but still persists in the riddance of Stewart Hopps as board chairman. To my mind this shows lack of good faith as a matter of law."

Judge Ward continued: "The company contends that it is entitled to notice and a fair hearing under the provisions of the constitution of California and the United States before its property can be taken from it. Rhode Island, its home state, does not question its solvency and its condition is now undergoing the routine audit conducted every four years by the examiners of National Assn. of Insurance Commissioners, which audit will be completed in a short time. Commissioner Downey's

Ohio Multiple Line Bill Dies in Senate Committee

The Ohio legislature adjourned July 15 without taking action on the multiple line bill. The measure died in the rules committee of the senate. Failure to pass this legislation is a blow to multiple line advocates because Ohio is one of the five largest insurance states in the country.

The multiple line bill was the center of a bitter fight in which insurance interests split. The insurance department favored its passage, but the Ohio Assn. of Insurance Agents contested the measure until it had been amended in the house.

After the amendments suggested by the agents were adopted, the association's position was not to oppose the bill if no further amendments were adopted which would affect agents' licensing provisions. Theodore M. Gray, executive secretary of the Ohio association in a letter to THE NATIONAL UNDERWRITER states that the association is not and was not in the preceding session opposed to the enactment of multiple line underwriting powers in principle.

In the house insurance committee hearings, Mr. Gray stated that the financial requirements were inadequate for the protection of the public in that the bill provided for only \$450,000 capital and \$100,000 in surplus for a full multiple line company. However, Mr. Gray did not authorize promotion of amendments in the senate as such action might have been regarded as either aiding or impairing the bill's chances.

In the final stages, the assembly established a commission to study the needs for temporary disability insurance.

Other measures adopted included bills liberalizing workmen's compensation and unemployment insurance provisions and another allowing domestic fire and casualty companies to invest in the World Bank.

action in not waiting for this routine statutory audit and in not giving the company notice and an opportunity to be heard, was arbitrary, capricious and premature.

"The commissioner is attempting to institute a fractional receivership of less than 2% of the assets of the company situated in California, and this attempt has already resulted in damage and loss to the 142,000 California policyholders of the company. In fact the commissioner has asked the company to pay California losses from its home office funds, because the fractional receivership has not produced sufficient funds for the commissioner to do so."

The majority opinion stated: "While this court might have concluded otherwise, were the decision in the first instance up to us, still we cannot find as a matter of law that his (the commissioner's) action was an abuse of discretion."

GO TO SUPREME COURT

NEW YORK—The Rhode Island announced plans to appeal to the supreme court of California from the divided opinion rendered by the California district court of appeals.

Stewart B. Hopps, chairman of Rhode Island, pointed out that this decision does not in any way affect the federal court injunction issued by Judge John P. Hartigan at Providence, R. I., which restrained Commissioner Downey from interfering with the assets of the company outside of California.

Fire Losses Down 5.3% for June, 9.7% for 6 Months

June fire losses totaled \$51,787,000, a decrease of 5.3% from June last year, and the estimated fire destruction in the U. S. in the first six months was 9.7% less than the total for the same six months of 1948, according to the National Board.

The June total represented a decrease of 4.4% below the total for May, 1949. June was the sixth successive month in which fire losses were lower than those reported for the same months last year.

Losses for the first six months of 1949 reached \$348,807,000, \$37,673,000 or 9.7% less than losses for the same period last year.

For the 12 month period ending on June 30, 1949, losses totalled an estimated \$673,441,000. This is a decline of 5.1% from \$709,839,000 for the 12 months ended June 30, 1948.

Losses for the first six months and for the two preceding years:

	1949	1948	1947
Jan. ...	\$7,926,000	\$8,010,000	\$7,180,000
Feb. ...	\$2,424,000	\$2,521,000	\$2,247,000
Mar. ...	\$7,218,000	\$7,236,000	\$7,435,000
Apr. ...	\$5,290,000	\$5,751,000	\$6,029,000
May ...	\$4,162,000	\$5,256,000	\$6,545,000
June ...	\$1,787,000	\$4,706,000	\$5,840,000
	\$348,807,000	\$386,480,000	\$369,276,000

Tentative Schedule for N.A.I.A. Gathering at Chicago Prepared

A tentative program has been announced for the annual convention at Chicago Sept. 19-22 of National Assn. of Insurance Agents.

Meetings of the executive committee have been slated for the two days preceding the meeting. The convention curtain raiser will be the territorial conferences Sept. 19 and the National Board of State Directors will meet in the afternoon just before the opening general session. The evening will be an open date for state parties. The second day will be opened by an educational research division breakfast conference for state secretaries and managers. The directors will conduct their third session in the morning, while in the afternoon there will be a series of conferences for local boards covering common problems. Entertainment will feature the evening's activities.

The state directors will meet Wednesday morning and at noon will consider resolutions and nominations. A business development forum will highlight the afternoon program, and the banquet will be that evening. The meeting will adjourn at noon on Thursday following a general session.

Requests for advance registration and hotel reservations should be made through N.A.I.A. headquarters at 80 Maiden Lane, New York 7. Registration forms may be obtained from state association offices.

Form Steubenville Assn.

Steubenville (O.), Assn. of Insurance Agents has been organized with Robert L. Stuart as president; Malcolm McGowan, vice-president, and Thomas Wagner, secretary.

Rutenbeck to De Witt Post

L. K. Rutenbeck, formerly with Ernst & Ernst at Chicago, is now with Iowa Mutual and Iowa Mutual Casualty at De Witt. He is a graduate of the University of Iowa.

The Evangelistic Approach Pays Off Overseas Insurers

Agents Countrywide Now Alert to This Type of Business

The "revolution" that has taken place in the methods of marketing insurance on overseas risks is bearing fruit in increasing premium volume. Since the war, the overseas insurers, sparked by a few tireless evangelists in the field, have been telling their story to all producers who will listen in every corner of the country. And every producer listens because the story these men have to tell is interesting, is new and is fraught with possibilities for insurance sales.

Actually American companies and groups of companies have been writing business overseas for many years on American risks there. Outside of a few important agents in the seaboard towns, however, very few producers knew of this. The foreign insurers largely contented themselves with accommodating the lines of the comparatively few firms with overseas interest which literally walked into the offices with business.

Overseas Prospects

With the war and since the war, however, the United States has become an international commercial power. In almost every town of any size today there are one or more enterprises which have branches overseas or send goods to foreign lands. Men and women from Montgomery and Traverse City are living overseas both in the military service and with the government and private enterprise in civilian capacities. All of these enterprises and individuals are prospects for the overseas insurer. Yet much of this business was sliding by uninsured because nobody in the home community knew that such insurance could be written.

Then the foreign insurers came to realize that they had a huge job to do. They had to let the insurance producers of the country know that they could and should write locally such overseas business. They saw they had to carry the message inland to the agents and brokers of the country and that they must establish offices to open up vast reaches of the interior.

Field Men Are Active

Sparked by a comparatively few young men, the overseas insurers have carried their messages by now to a great many of the agents of the country. Their representatives have cultivated opportunities to speak at meetings of all character. They have called on agents individually, emulating the field men of the domestic insurers, answering questions, solving problems, talking to local prospects and insured.

The results have been gratifying for the overseas insurers. Their business has steadily advanced. No longer is overseas coverage a mystery to producers. They know what it is and they know through whom they can write it. Through one midwestern office of an overseas writer, for example, has passed more in the way of premiums so far this year than in the whole of last year and

(CONTINUED ON PAGE 11)

N. Y. Approves 15% Jewelry Rate Cut of I. M. I. B.

The New York department has approved a new filing by Inland Marine Insurance Bureau providing for an overall rate reduction on jewelry of more than 15%. The new rates range from 14½% to 18½% below present levels, varying by amounts of insurance.

The new filing was made to supersede an earlier one calling for a 10% rate reduction made June 10 and disapproved as inadequate. Following a hearing, the department instructed I.M.I.B. to "submit a new filing forthwith in which rates are appropriately adjusted." The new filing is based on provisions of 55% for losses and 45% for expense and profit and becomes effective Sept. 1.

The revised schedule calls for a rate of \$1.60 for the first \$5,000 or part thereof; \$1.10 for the excess of \$5,000 to \$10,000; 60 cents for \$10,000 to \$50,000; 35 cents for \$50,000 to \$100,000, and a flat 55 cent rate when the entire amount exceeds \$100,000. It is estimated the change will mean a difference of

\$1,500,000 in jewelry premiums in the state.

The bureau has filed the schedule in all jurisdictions in which it is licensed with a request for immediate approval. General Manager Harold L. Wayne, commenting on the new rates, said that although the statistics submitted at the June hearing were not refuted by the New York department and in spite of the fact that additional data subsequently submitted and the bureau's interpretation of it "fully attested to the reasonableness of the original filing, it was apparent that the bureau would be unable to secure approval of the New York department."

In view of all the circumstances involved elsewhere as well as New York and having in mind also that there was at least room for argument with respect to that portion of the supporting data dealing with the expense factor, Mr. Wayne remarked that the bureau concluded that pending further studies with respect to the proper factor to be used for expenses, a revised filing should be made on the basis of a profit factor of 6% and an expense factor of 39% producing an allowable loss ratio for this filing of 55%.

Adding that it is essential that jewelry rates be uniform countrywide, Mr.

Wayne stated that the new schedule is being submitted with the understanding that it be considered an interim filing pending further studies and without prejudice as respects allowable loss ratio, profit or expense factors insofar as jewelry or any other class of inland marine is concerned.

It is understood that North America will not file a deviation, now that I.M.I.B. has filed a 15% reduction. Presumably North America will use I.M.I.B. rates. It recently applied for a 25% reduction in jewelry floater rates though not on the jewelry portion of the personal property floater. The I.M.I.B. reduction is on both.

Fort Heads Home Office Inland Marine Department

J. Donald Fort, manager of the Employers' group New York inland marine department, has been appointed superintendent of the home office inland marine department, in charge of inland marine underwriting throughout the country.

Widely known throughout the east in inland marine circles, Mr. Fort has been in that line since 1932. He graduated from Ohio State University.

Television Service Contracts Defined as Insurance in N. Y.

In response to a request by Superintendent Dineen, Attorney-General Goldstein of New York has handed down an opinion that many of the maintenance contracts in the television service business constitute insurance contracts.

A requirement may follow that companies in the business be licensed by the department. They presumably then would have to satisfy the department as to solvency and ability to carry out contracts. It might be necessary for them to set up reserves similar to those required of insurance companies.

Mr. Goldstein has held that contracts of a manufacturer to keep sets in working order with an agreement to replace defective parts for a certain period of time, usually a year, constitute legal warranties. However, a renewal of the contract or a contract made with a firm which is not the manufacturer or the seller, constitutes insurance. A manufacturer or dealer who chooses his stock has a right to guarantee it against defects for a reasonable time, Mr. Goldstein ruled, but if an outside firm undertakes to guarantee, it is dealing with something beyond its control. Further, if the manufacturer or dealer attempts to guarantee the set forever by repeated renewals, it then moves from the guaranty into the insurance field.

Mr. Goldstein stated in his opinion "ground for concern in the public interest can readily be seen in the possibility of loss which would result from failure or defalcation of irresponsible or unscrupulous contractors, who had collected large sums of money and then either could not carry out their obligations, or were found to have taken advantage of a fertile field for fraud."

Plan to Poll N.Y.F.I.R.O. Members on Escott Plan

NEW YORK—A committee has been appointed to poll the membership of the New York Fire Insurance Rating Organization on the Escott plan of writing multiple location risks, and there is a special committee studying the problem facing the industry in connection with this business. The majority of companies seem anxious to get the matter settled and file the Escott plan with the New York department, which is also anxious to bring the matter to a solution. One of the problems is the litigation which N.Y.F.I.R.O. has against the insurance department in connection with the business and which is still pending. In addition, the decision of former Deputy Superintendent Walter F. Martineau banning use of the average plan included form A, which is not covered in the Escott plan. The department also has some independent filings on which it would have to act. It is hoped that there can be a meeting of the governing committee of N.Y.F.I.R.O. next week or the week following to reach a decision.

Asks N.A.I.C. Choices

LANSING, MICH.—Preliminary selection of standing committees of National Assn. of Insurance Commissioners for the coming year, Commissioner Forbes, president of the supervisors' organization, is writing all commissioners relative to their preferences for committee places. The Michigan official is asking that each of the commissioner members list three committees, in order of preference, on which he would be willing to serve. These selections will be recognized to as great extent as possible in making the appointments, the commissioner indicated.

Paul Jaqua agency and Burgess Schriver agency, Ponca City, Okla., have merged to form the Jaqua-Schriver agency.

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Answer to the quoted question is contained in the Group's current issue of "True or False." Your copy is available on request to our Advertising Department.



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Casualty Coverage Provided in Atomic Energy Field

The excellent results obtained from the cooperative arrangements between atomic energy commission and casualty interests regarding insurance in connection with atomic operations have been very satisfactory to both sides.

Ralph R. Boyer, special assistant to the controller of AEC, through whose office insurance problems are handled, feels that questions arising can be worked out satisfactorily.

Discussing radiation risk problems and AEC safeguards against the same, including insurance protection for AEC employees and its contractors' employees, Mr. Boyer said not long ago:

"Nearly all of the injuries which have occurred in the atomic energy program have been of a type that might occur in any industry. Injuries involving radiation have been held very close to zero. As an example of the extreme care exercised by the commission in regard to radiation, I would like to mention that the maximum daily radiation exposure allowed atomic energy workers is limited to about one-half that involved in an

ordinary chest x-ray, and to about 1/50 of that frequently used in such x-ray diagnoses as those of the hip or gastrointestinal system. The therapeutic use of x-rays often involves even higher concentrations of radiation.

Aiding Workers on Cover

"In addition to the safeguards established for the physical protection of atomic energy workers, the commission has made every effort to see that insurance is available to its own employees and the employees of its more than 100 contractors. This has not been an easy task. Much of the progress made to date has been achieved through trial and error, as might be expected in an industry which has grown almost overnight from nothing into a three billion dollar enterprise employing more than 60,000 people. Changes and improvements are still being made as new knowledge becomes available and as new obstacles are encountered. The need for maintaining military security has, of course, been a

complicating factor, but it is one that obviously cannot be avoided.

"As of today, the various types of insurance protection provided employees of the AEC and its major contractors are as follows:

"1. Workmen's compensation.

"This type of coverage is provided for all contractors' employees in accordance with local state laws. The insurance policies of operating contractors also include provisions for voluntary compensation for occupational diseases not falling within the scope of local workmen's compensation acts.

"Workmen's compensation offers an example of contrasting methods of providing insurance. In one large area, of which construction is typical, there is practically no security problem and insurance companies have freely performed their full functions including underwriting the risk.

Limited in Another Area

"In another area, typified by some of the operating contracts, insurance companies' safety inspection and claims investigators have been limited in their access to plants. On the one hand, it has been necessary for AEC to employ its own claims investigators, and, on the other hand, to finance the insurance on a cost-plus-fee basis. To some extent, it has had to become its own excess underwriter in this field. That is, the premium paid does not stand as the maximum cost to be borne by the contractor and the government. Otherwise, carriers furnish our contractors the same services they normally provide, investigating claims to the extent permitted, paying claims, and defending the contractor.

"2. Group life insurance.

"This and other forms of group insurance, including non-occupational accident benefits and in some instances hospitalization and medical benefits, are provided where the contractor can show that such plans have been an established employee relationship policy in his normal operations, or where it has been necessary through collective bargaining to incorporate such group plans. Under such arrangements, the commission reimburses the contractor for those portions of the premium which are actually paid for by him, with the remainder of the premium costs being paid for by individual employees. This type of insurance has been provided our contractors on a normal basis by the life insurance companies.

Employee Benefit Plans

"3. Employee benefit plans.

"These have been arranged with certain contractors to make provision for their employees who are injured or die as a result of exposure to hazards peculiar to the AEC operations. These plans are effective continuously during the life of the company's contract, and for 10 years after the termination of the contract, so that a delayed disability suffered by an employee would be subject to the payment of benefits. The plans provide for a gratuitous payment of up to \$10,000 to employees or their beneficiaries where injuries, death or disabilities are suffered as a result of certain specified causes such as radiation, toxic gases, high explosives, or travel in military aircraft. In some cases a benefit is payable where insurance is invalidated due to the special hazard connected with employment. The determination that injuries occurred from the specified causes is made by the contractor with the approval of the AEC. The plans are not insured.

"4. Life insurance.

"As the atomic energy program developed it became apparent that individual

J. M. Newburger, a veteran Chicago agent and a charter member of the Chicago Board underwent an operation at Presbyterian hospital this week. Mr. Newburger has for many years been taking an active part in the work of the Chicago fire insurance patrol.

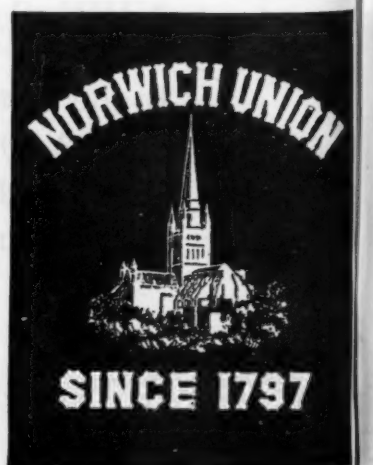
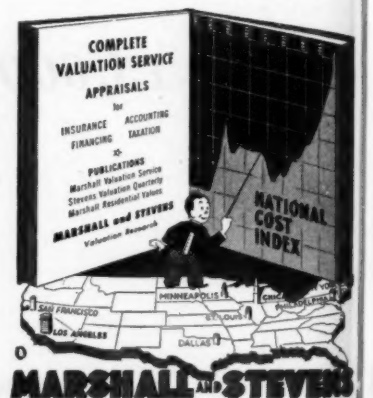


Frank Sullivan, Kansas commissioner and new chairman of executive committee of National Assn. of Insurance Commissioners, and Mrs. Sullivan during recent Seattle convention.

workers were experiencing considerable difficulty in obtaining life insurance policies. This was of course due to security regulations, which prevented employees from divulging sufficient information to life companies to enable them to evaluate and underwrite the risks. This situation became so critical that a special solution of some sort was necessary. Consequently, in early 1947, by negotiation between the AEC and the Home Insurance Office Life Underwriters Assn., it was agreed that a representative of the association would be cleared by the commission to gain access to classified information, and to make a survey of the risks encountered in the various types of atomic energy work.

"The initial survey was made in early 1947 at Oak Ridge, site of the commission's uranium-235 production plants and the Oak Ridge National Laboratory. Other surveys have subsequently been made at the Hanford Plutonium Works

(CONTINUED ON PAGE 21)



HOW TO INCREASE Your Prestige



People like to do business with the successful, happy agent. His smile is contagious and creates a favorable reaction in the minds of all those with whom he comes in contact. THE CAMDEN believes in encouraging this relationship and is constantly doing its utmost to create such friendliness. Our main thought is to increase your prestige in the community...that is why the window displays shown here were prepared. In fact, our entire advertising program is based along these lines. "A Company is Known by the Agents It KEEPS"...in the forefront in their respective communities.

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Status of Multiple Line Powers as of July 15

Below is presented a summary of multiple line underwriting laws in the various states as of July 15. A list was published in the April 7 issue of THE NATIONAL UNDERWRITER, as of the end of 1948. Since all but one or two legislatures now either have adjourned or have disposed of the multiple line powers matter, the summary is regarded as reasonably up-to-date until the state legislatures convene next year.

The notations "auto," "aircraft" and "PPF," indicate that a company may write full cover automobile, etc., and a casualty insurer may write the personal property floater without meeting the requirements for the exercise of complete underwriting powers.

Alabama—complete multiple powers. Auto and PPF.

Alaska—complete. Auto.

Arizona—full cover auto and aircraft and PPF.

Arkansas—full auto and aircraft. The statute (sections 30-40 of the insurance law) seems to authorize complete powers, but the department does not permit.

California—complete. Auto and aircraft and PPF.

Colorado—complete. PPF.

Connecticut—a casualty company may write PPF under department ruling. Commissioner has discretionary power. Full cover automobile and aircraft is permitted.

Delaware—complete.

District of Columbia—complete.

Florida—no provision. Complete multiple line underwriting permitted by department.

Georgia—no provision, but multiple lines permitted by department. PPF.

Hawaii—complete. Auto.

Idaho—full cover automobile and PPF.

Illinois—complete.

Indiana—complete. Auto and PPF.

Iowa—complete. Auto and aircraft.

Kansas—complete. Auto and aircraft and PPF.

Kentucky—complete. Auto and aircraft and PPF.

Louisiana—complete. Auto and aircraft and PPF.

Maine—complete. Auto and aircraft and PPF by department ruling.

Maryland—complete. Auto and aircraft and PPF.

Massachusetts—complete. Auto and aircraft and PPF.

Michigan—complete. Auto and aircraft and PPF.

Minnesota—complete. Auto and PPF.

Mississippi—complete. PPF.

Missouri—complete.

Montana—complete. Auto by attorney general's ruling).

Nebraska—full cover auto and PPF by casualty companies.

Nevada—full cover automobile and aircraft and PPF.

New Hampshire—complete. Auto.

New Jersey—complete.

New Mexico—full cover automobile and aircraft and PPF by casualty companies.

New York—complete. Auto and aircraft and PPF.

North Carolina—complete. Auto and aircraft and PPF.

North Dakota—complete. Auto and PPF.

Ohio—full cover auto by ruling of attorney general. (S. B. 174, a complete powers bill, died in committee.)

Oklahoma—complete.

Oregon—complete.

Pennsylvania—complete. PPF. (Effective Sept. 1, 1949.)

Rhode Island—department permits multiple lines subject to reciprocity.

South Carolina—department permits full cover auto and aircraft and the PPF by casualty companies.

South Dakota—full cover auto and aircraft, PPF by casualty companies under department ruling. The department

does not permit complete powers.

Tennessee—complete. Auto and aircraft and PPF, subject to departmental conditions.

Texas—complete. PPF.

Utah—complete. Auto and aircraft and "insurance on personal effects."

Vermont—complete. Auto and PPF.

Virginia—complete. PPF if company license is returned to department for amendment to include this power.

Washington—complete. Auto and aircraft and PPF.

West Virginia—multiple lines permitted subject to conditions established by department.

Wisconsin—full cover auto and aircraft, PPF, complete reinsurance. (Complete underwriting powers bill, H. 460, has passed both houses. This provides that no additional capital would be required to write marine plate glass and sprinkler leakage.)

Wyoming—full cover auto and aircraft and PPF, the latter by department ruling.

Gill to Wilson, N. C.

Royal-Liverpool has transferred State Agent Frank C. Gill to Wilson, N. C., where he will cover the eastern part of the state. He replaces W. E. Sullivan, who has been transferred to Charlotte. Mr. Gill joined the production staff of the group in Richmond in 1941 and since has been stationed in Washington, D. C., and Greensboro, N. C. His office is 514 National Bank building.



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Hold 20th Midwest Agent-Company Parley at Chicago

Coverage, filings, term rule, multiple location and underwriting capacity were discussed at the annual conference of agent association leaders and western department executives at Chicago last week. This group is titled the Western Conference Committee. It was originated by George W. Carter of Detroit 20 years ago and has proved its worth many times as a meeting ground between the companies and agents for discussing refinements and mechanics of the business.

Mr. Carter has acted as chairman at all the gatherings. At the meeting this year were several company men from the home offices and the gathering provided color and factual information. Fourteen states were represented by leaders of the agents associations, most of them by their president, executive secretary or national state director.

Gulf Holds Midwest Rally

Field men and office employees of the central department of Gulf met at Indianapolis last week. The field men and underwriters in the department held conferences. There were 67 at the

dinner at which President T. R. Mansfield awarded service pins. Representatives were on hand from Illinois, Indiana, Pennsylvania, Ohio and West Virginia. Harold F. Sweeney is vice-president and manager of the central department.

Low Interest Rate on Mo. Impounded Premiums OK'd

KANSAS CITY — Federal Judge Duncan has ruled that a special three-judge federal court had ample legal authority and power when it fixed the interest rate at only 2.876% on the \$9,800,000 of excess premiums which it had impounded in connection with the 16 2/3% rate increase put into effect in Missouri in 1930, and later set aside by the courts.

Judge Duncan's decision came in litigation instituted 10 years ago by Ward-Coppage Mercantile Co., Caruthersville, Mo., on behalf of itself and 250,000 other policyholders in an effort to force the companies to pay the legal maximum of 6% on the impounded premiums for the period in which the money was in the custody of the court. The litigation involved approximately \$1 million.

Washington F.U.A. Honors Harnan at Midyear Meet

W. L. Harnan, who was retired recently as Northwest supervisor for the Phoenix-London group, was presented with a fountain pen by the Washington Fire Underwriters Assn. at the midyear meeting at Seattle. Presentation was made by W. C. Carlyon, state agent for Crum & Forster.

Frank C. Colridge, general manager, explained the functions of the newly reorganized Pacific Board.

Vice-President John G. Miller presented a report on Washington conditions. Other reports were given by Sheffield McDonald, Aetna Fire, membership; M. C. Johnson, Phoenix-Connecticut group, secretary-treasurer; A. S. Joy, Travelers Fire, rates, rules and forms; F. W. Valley, Royal-Liverpool, contact; W. G. Frazier, Frazier & Co., legislative; Van Griffin, Glens Falls, automobile; Mr. Carlyon, salmon; G. J. Dempsey, Crub & Forster, entertainment; John G. Miller, Groninger & Co., public relations; and R. N. Davis, Hartford Fire, educational.

In the golf tournament, George Stalzer, Hartford Fire, won low net honors and received the D. K. MacDonald and H. C. Coffman trophies.

J. D. McAnally, America Fore, presided over the afternoon session, and Mr. Carlyon served as toastmaster at the banquet which followed a cocktail hour.

N. Y. Agents May Oppose Term Installment Premiums

NEW YORK — The executive committee of Assn. of Local Agents of the City of New York has voted to draw a resolution for approval of members in opposition to installment payment of premiums in term business. Committee members believe financing of premiums is properly the business of banks and finance companies and is not within the jurisdiction of insurers. It was also suggested that higher rates might result.

A meeting was scheduled at Atlanta Thursday between commissioners of Florida, Georgia, Alabama and South Carolina and the Southeastern Underwriters Assn. to discuss the premium payment plan on term business and some of its possible consequences. Commissioner Larson of Florida invited representative Florida agents to attend.

W. W. Sampson, manager of S.E. U.A., has indicated that filing of that organization's plan of annual installment payment of term business is not being filed, although scheduled for around mid-July, awaiting outcome of the discussion with commissioners and agents.

Michigan Fire Losses Down From 1947

LANSING, MICH. — Michigan's aggregate fire loss ratio for 1948 was 48.93 against 48.37 in 1947, the Michigan department reports.

Direct fire premiums collected in 1948 by stock, mutual and reciprocal carriers totaled \$48,338,128 while direct losses paid were \$23,651,893. The loss ratio on other than fire rose from 38.60 in 1947 to 40.15 in 1948. Premiums in that category last year were \$43,748,121, with \$17,567,168 in losses.

The stock company fire loss ratio, on \$38,497,442 in direct premiums, was 53.46 and other than fire, with premiums of \$40,810,248, 40.54. Mutuals wrote \$9,380,869 in fire premiums, with a 31.31 loss ratio, and \$2,864,867 other than fire, with 35.01 ratio.

Company	Fire	Ratio	Other	Ratio
Home of N. Y.	2,516,266	48.99	1,526,009	48.80
Hartford	1,778,344	67.81	1,598,222	36.75
National, Ct.	1,254,410	53.87	869,590	33.44
Continental	1,213,529	33.88	531,177	47.31
American	1,024,317	66.75	621,147	30.57
Ins. Co. of N. A.	982,243	67.09	1,010,941	40.45
National Union	812,351	56.88	738,677	29.71
Great American	736,006	38.66	296,885	51.11
Aetna	773,251	66.46	834,426	41.51

Leading the mutuals in fire business was Michigan Millers of East Lansing, with direct premiums of \$1,559,888, developing a 54.55 loss ratio. Other than fire business amounted to \$390,782, with a loss ratio of 34.19.

ECA Revision Satisfactory

WASHINGTON — American marine interests are represented as satisfied with the recent economic cooperation administration regulation revision dealing with marine insurance in finances, although it, or the McCarran amendment upon which it was based were not all the marine companies asked for.

Marine representatives are reported contacting American exporters with a view to selling them on American marine coverage as offering better protection and better service. It is being pointed out that under the ECA amendment, foreign importers are not deprived of dollars they could use otherwise, as ECA finances dollar insurance.

The new ECA insurance revision sets forth in detail procedures to be followed under the McCarran amendment.

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St. Paul Publishes Six Month Gains

The St. Paul companies have issued their semi-annual statements which this year indicate gains in all categories over the six months preceding Dec. 31, 1948.

Net premiums of St. Paul F. & M. for the six months amounted to \$22,801,318, an increase of \$1,319,830 over the last six months of 1948. Unearned premiums were \$30,522,116, a gain of \$1,221,661. Assets stood on June 30 at \$96,994,410, an increase of \$6,102,459. Capital and surplus was \$49,742,411, an increase of \$3,371,624. Net underwriting profit for the period was \$2,704,377. Investment income earned stood at \$1,232,204. The book value of the stock of subsidiary companies increased \$1,592,711.

The net six month premiums of Mercury were \$5,735,655, an increase of \$796,226 over the last six months of 1948. Unearned premiums rose to \$9,647,225, a rise of \$517,546 over the last half of 1948. Assets stood at \$18,376,168, an increase of \$1,554,203. Capital and surplus reached \$6,589,428. Net underwriting profit was \$422,563. Investment income earned was \$254,443 and the appreciation in market value was \$22,103.

St. Paul-Mercury Indemnity net premiums amounted to \$14,393,230 which was increase over the preceding six months of 1948 of \$2,859,337. Unearned premiums stood at \$13,946,324, up \$969,942. Assets gained \$3,001,689 to reach \$42,863,387. Net underwriting profit was \$1,047,657. Investment income was earned to the extent of \$88,517. Market values appreciated \$65,486.

New William Penn Lineup

Joseph B. Simon, president of William Penn Fire, has resigned and Ralph F. Gates, former governor of Indiana, was elected to succeed him. With the ex-

ception of P. H. Mell, executive vice-president, the entire board resigned, including Mr. Simon, R. Sturgis Ingersoll and Charles Denby. In addition to Mr. Mell, the new board of directors will include Mr. Gates, T. W. Tinkham, vice-president of Doeskin Products; F. L. Schott, president of Bartels Brewery, Mr. Mell and P. Stephen Stahlnecker.

Texas Association Honors Veteran A. G. Randol

Texas Assn. of Insurance Agents this week honored one of its most active

members when it presented Arthur G. Randol of San Antonio a motor for his fishing boat. Mr. Randol, who has served for 20 years on the legislative committee of the Texas association, was in Dallas to report on the recent Texas legislative session. After he had finished, Drex G. Foreman, executive secretary of the Texas association, presented the gift.

Mr. Randol managed the casualty department of the Hornberger-Schmitt local agency of San Antonio for 10 years before starting his own agency in 1922. He has been active in the San Antonio Exchange and the Texas association since 1925. He served two terms as president of the San Antonio local board. He is now chairman of the insurance survey committee of the San Antonio board, which hopes to handle the city insurance.



A. G. Randol

Reynolds Gets Support

NEW YORK—William J. Reynolds, chairman of Corroon & Reynolds, received a number of letters from agents

commending his opposition to the annual premium payment of term premiums. One was from a prominent midwest agent, who wrote:

"We are in hearty accord with your statements as reported in THE NATIONAL UNDERWRITER. The time to stop this foolishness is now, before it sweeps the country."

"Enclosed is our check for \$100 to be used as you see fit for legal or other expenditure. We will make it \$500 or \$1,000, if necessary. An injunction must lie somewhere. Your legal talent can find it."

Continue Coercion Fight

SAN FRANCISCO—Following the defeat of the "anti-coercion" bill in the assembly, Walter P. Simi, chairman of the legislative committee of Insurance Brokers Exchange of California, reaffirmed the exchange's intention to oppose the "stultifying, coercion practices of certain building and loan associations and automobile dealers, as those practices relate to insurance."

"This is not a problem in which only insurance producers are interested," declared Mr. Simi. "Certain specific cases have been brought to the attention of the local field offices of the FBI and, I understand, the coercive practices of automobile dealers were quite thoroughly discussed at the recent convention of National Assn. of Insurance Commissioners."

He said many building and loan associations, particularly in southern California, have, as a written condition in their lending agreements a provision which authorizes them to direct the placement of the insurance on the property against which the loan is made, which is called "a flagrant violation of the individual's right to freely enter into contracts."

Mrs. Iris Bedwell of the Van Arsdale & Larkin agency, past president of Wichita Assn. of Insurance Women, is recuperating in St. Francis Hospital there following a major operation.

Refuse Auto Dealer License

The Ohio department has rejected an application for license filed by Paul R. Smith of Barnesville, who was to become associated with the Charles H. Sipe General Motors agency at Cambridge, O. The application was backed by Motors Insurance Corp. This is the first hearing held by the department on an automobile agency insurance application under the present administration.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, July 18, 1949

	Div.	Bid	Asked
Aetna Casualty	3.00	77	79
Aetna Fire	2.00*	54	55 1/2
Aetna Life	2.50*	55	56 1/2
American Alliance	1.10*	23	24
American Auto	1.60	44	45 1/2
American Casualty	.80	11 1/2	12 1/2
American (N. J.)	.90	19	20
American Surety	2.50	55	56 1/2
Boston	2.40	60	62
Camden Fire	1.00	20 1/2	21 1/2
Continental Casualty	2.00	52	54
Fire Association	2.50	57 1/2	59
Fireman's Fund	2.60	82	85
Firemen's (N. J.)	.50	16 1/2	17 1/2
Glens Falls	2.00*	48 1/2	50 1/2
Globe & Republic	.50	9 1/2	10 1/2
Great Amer. Fire	1.30*	33	34
Hanover Fire	1.40	31	32
Hartford Fire	2.50*	124	126
Home (N. Y.)	1.40	30	31
Ins. Co. of North Am.	3.50*	103	105
Maryland Casualty	.50	14 1/2	15 1/2
Mass. Bonding	1.60	27	28 1/2
Merchants Fire, N. Y.	1.15*	26 1/2	27 1/2
National Casualty	1.45*	23 1/2	25
National Fire	2.00	51 1/2	53
New Amsterdam Cas.	1.20	31	32
New Hampshire	2.00	42	44
North River	1.20*	25 1/2	26 1/2
Ohio Casualty	1.00	50	Bid
Phoenix, Conn.	2.00*	83	85
Preferred Accident	. . .	4 1/2	4 1/2
Prov. Wash.	1.40*	32 1/2	34
St. Paul F. & M.	2.25*	83	85
Security, Conn.	1.40	32 1/2	33 1/2
Springfield F. & M.	1.90	44 1/2	46
Standard Accident	1.45	33	34
Travelers	22.00*	670	680
U. S. F. & G.	2.00*	51	52
U. S. Fire	2.00	59	61

*Includes extras.

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Veterans Advanced

Herbert C. Taylor, John W. Morrow, David H. Moore, Felix Hargrett and L. Vaughn Grady, the newly named vice-presidents of Home, have impressive service records with the company.

Mr. Taylor joined Home in 1916 as a special agent. He became a state agent in 1920 and was named assistant secretary in 1939. Two years later he became secretary. In 1947 he was named assistant vice-president and secretary. He has served two terms as chairman of the advisory committee of Virginia Rating Bureau and is a former president of the Virginia Field Club.

Mr. Morrow started with Home in 1923 as an ocean cargo underwriter. In



Herbert C. Taylor



Felix Hargrett



David H. Moore

1930 he was appointed manager of the marine department for the fleet and in 1936 was named marine assistant secretary. He became marine secretary in 1943 and vice-president and secretary last January. He has served as a director on the Board of Marine Underwriters and with American Institute of Marine Underwriters.

Mr. Moore attended University of Chicago and joined Home in 1923 as Ohio state agent. He became a superintendent of agencies in New York in 1926 and assistant secretary in 1930 of two of the Home companies. He was named secretary of Home in 1941 and assistant vice-president and secretary in 1947. He served in the first war as a lieutenant.

Mr. Hargrett is a graduate of the University of Georgia. He started in 1925 as special agent and was appointed Philadelphia manager in 1930. In 1932 he was named assistant manager of the New York service department. In 1938 he became manager of the Washington office, and the following year was named assistant secretary. He was promoted to secretary in 1941 and assistant vice-president and secretary in 1947. He was a commander in the navy during the last war.

Mr. Grady, who is vice-president and secretary of Home Indemnity, was graduated from Washington and Lee University. He started in 1937 at Chicago as manager of Home Indemnity and was promoted to assistant secretary of that company in 1939 and to secretary in 1941. He now becomes vice-president and secretary of Home as well.

Bailor Not Required to Allege Negligence

The Oregon supreme court in National Fire vs. Mogan et al, has held that to maintain an action, it is not necessary for a bailor to allege that the loss of an article by fire, while in the hands of a bailee, was due to the negligence of the latter. Accordingly, an insurance company, bringing a subrogation action against the bailee, does not have to allege such negligence.

National Fire on March 18, 1946, issued a \$310,000 policy to McNutt Bros.

On May 23 of that year McNutt Bros. rented an air compressor to Mogan Lumber Co., operating a sawmill at Eugene, Ore. The compressor was not returned to McNutt and Mogan notified McNutt that the property was destroyed by fire. National Fire paid McNutt \$3,000 for his loss and brought the subrogation action against Mogan.

The plaintiff, according to the court, could have alleged tortious conduct on the part of Mogan and the complaint would have been amended to state a cause of action. The supreme court said there is no sufficient reason apparent why the plaintiff should be limited to a pleading of that kind. The remedy here invoked by the insurer was open to McNutt Bros., the bailors, and this should be equally available to the insurance company.

Harry F. Ogden, president of Fidelity & Guarantee, has been elected a director of Monumental Life of Baltimore.

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NEWS OF FIELD MEN

Sukow, Mason in Travelers Changes

Walter W. Sukow, Milwaukee manager for Travelers Fire, has been ap-



W. E. Mason



W. W. Sukow

pointed manager for that company at Jacksonville, Fla., and William E. Mason has been named to succeed Mr. Sukow at Milwaukee.

Mr. Sukow has been with Travelers since 1926 when he joined the company at Milwaukee as manager. In 1930 he was appointed manager at Des Moines. He returned to Milwaukee in 1934.

Mr. Mason joined Travelers in 1937 as a fire counter man at Chicago. He was transferred to South Bend in 1940. After military service he was named special agent at Peoria, Ill., and became assistant manager there in 1947.

Radio Talks in Minn.

Glen Schodde of Home spoke on "Can Fires Be Prevented?" July 18 over the University of Minnesota radio station. "How Insurance Rebuilds Cities" was the topic of A. L. Phillips, National

Union Fire. The final talk in the series will be given July 25 by Paul Olinger, state agent of Agricultural, on "Questions You Have Asked."

These talks were sponsored by Minnesota Fire Underwriters Assn. and the university.

Dubey to D. C. as Assistant Manager for Travelers Fire

Philip J. Dubey, Jr., who has been special agent for Travelers Fire at Cleveland, has been promoted and transferred to Washington, D. C., as assistant manager.

Mr. Dubey joined Travelers in 1927 in the eastern department. In 1934 he was assigned to the John street, New York, office as assistant counterman. In 1935 he returned to the home office as an examiner in the eastern department.

He was made a fire survey engineer in 1937, and in 1941 was assigned to Cleveland in that capacity. He became a special agent there last January. He is a C.P.C.U.

Plan Inspectors School

John L. Vorse, Royal-Liverpool, Wichita, president of Kansas Fire Prevention Assn. has announced plans for an "inspectors school" Sept. 20 at Topeka. The school is designed better to qualify the members to make inspections in connection with the town inspection program of the association.

Hopkins Ontario Chief

S. C. Hopkins, Ontario manager for the North British group, has been elected most loyal gander of Ontario Blue Goose. Supervisor is J. C. Hunt;

custodian, Norman Pimm; guardian, Ronald Hopkins; keeper, M. Crone; welder, H. C. Baillie.

Knoop New Chief of Ohio Fire Prevention Assn.

Edward C. Knoop, Jr., Home, (left), is shown taking over as president of



Ohio Fire Prevention Assn. from William T. Cuddy, Buckeye Union.

Other officers elected at the annual meeting in Cedar Point are: Vice-president, Verne Hart, Aetna Fire; secretary-treasurer, Roger S. Olsen, America Fore, and executive committee chairman, Walter Hilton, National Union. Helen Earl was reappointed assistant secretary.

Robert Moulton, Ohio director of commerce, was speaker. The members also saw a demonstration of fire safety by W. Cyril Fenner, fire safety clown of Dayton.

COMPANIES

Rumor General Re to Buy Northeastern

Hartford newspapers are speculating on the possibilities of the sale of Northeastern, probably to General Reinsurance.

According to the papers, one substantial block of Northeastern stock already has been sold and other large stock holding interests are seeking to sell.

Northeastern last year had premiums of \$4,525,515. Its capital is \$1 million and surplus is \$1,325,000.

The capital of General Reinsurance is \$5 million and surplus is \$10 million.

William L. Less, II, a New York broker, is chairman of Northeastern. He is said to be unavailable for a statement, as is William Langler, president.

At the last stockholders' meeting of Northeastern, there was a contest for control and Mr. Less has been sued in federal court on the grounds that his election was illegal. A decision in that case is expected shortly.

Stock of Northeastern in the eastern market dropped from 7 to 5 3/4 bid during the past week.

This year, Northeastern sold its home office building in Hartford and is now quartered in the Standard building on Trumbull street.

Howe Second Man in Can.

George E. Howe has been named assistant manager of the Canadian department of Great American at the head office at Toronto.

Trading Reaction Favorable

HARTFORD—Stock of Hartford Fire responded favorably in local trad-

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PRO-RATA and EXCESS of LOSS

ing to the surprise announcement of the proposed 33 1/3% stock dividend to increase capital from \$12 million to \$16 million. The closing bid on the day following the announcement was \$124, up \$7 for the day. Stock was offered at \$128 a share.

Yocum Named Planet Production Manager

Donald A. Yocum has been named manager of the production department of Planet Insurance, Detroit, fire and marine affiliate of Standard Accident.

Previously he served Planet as assistant manager of the fire and marine underwriting department.

Mr. Yocum entered insurance in 1929 with the St. Paul group as an apprentice underwriter, and for a while acted as special agent for Minneapolis and Tennessee. He went to National Surety Marine as executive special agent in 1941. On his discharge



Donald A. Yocum

from the service, he went with Standard Accident and shortly thereafter was made assistant manager of the agency department. He was named assistant manager of the underwriting department of Planet in 1947.

NEW YORK

NEW SOCIETY COURSES

A class in "orientation" at Insurance Society of New York started July 19. It is designed to acquaint newcomers in the business about the functions of the various departments and the terminology of the business.

INSURANCE LAW GROUP

Newly elected members of the insurance law committee of the New York City Bar Assn. are George I. Gross of Powers, Kaplan & Berger, law firm which acts as counsel for the New York Fire Insurance Rating Organization; John F. Neville, assistant counsel of National Assn. of Insurance Agents; and Wayne Van Orman, formerly with the American of Newark group; R. Graham Heiper, Isaac M. Barnett, Alfred J. Nathan, William Parsons, J. Francis Hayden, Thomas Watters, Jr. Oscar R.

Houston, George E. Johnson, William E. Jordan, and A. Alan Lane, attorneys.

FIRE STATISTICS COURSE

The Insurance Society has arranged for a series of lectures on insurance statutes by Joseph Raywid, of Joseph Raywid & Co.

The lectures are designed for supervisory personnel and will cover the practical aspects of statistical procedure and content. They are planned for one evening a week beginning the first week in September and ending mid-December.

Among the topics to be discussed are organization of statistical department; selection of equipment and personnel; preparation of forms; preparation of codes; coordination of statistical and accounting data and routine; expiration notices; treatment of instalment premiums; loss records; premium reserve; regulation 30; classifications; general cover, and managerial reports.

N. Y. BOARD LOSSES UP

Losses for the first six months in New York Board territory totalled 2,041 for \$11,303,796, an increase of 2.6% in number and 50.7% in amount. In June there were 325 losses for \$1,488,628, up 38.9% in number and 55.8% in amount over the like period of 1948.

CHICAGO

LENZ TO ASSOCIATED AGENCIES

Norman F. Lenz has joined Associated Agencies of Chicago as superintendent of the marine department.

Mr. Lenz began his insurance career in 1926 with Hartford Fire as special agent. Later he was with Fred S. James as manager of the marine department. Until recently he has been with Eliel & Loeb as marine manager.

FORCH ST. PAUL AUTO ADJUSTER

Alfred B. Forch has joined St. Paul F. & M. and Mercury at Chicago as automobile physical damage adjuster. Mr. Forch formerly was with U. S. F. & G. at Chicago, and more recently has been with Horton & Co., adjusters of Louisville.

Scottish Union has moved its Chicago office to A-1115 Insurance Exchange building.

Hackett & Lloyd, who formerly occupied space with Standard Accident at Chicago, have moved to 615 Insurance Exchange building.

Louis J. Schiltz & Co. has moved to A-416 Insurance Exchange building, Chicago.

Complete Washington Assn. Program for Aug. 28-30

The program for the annual convention of Washington Assn. of Insurance Agents at Seattle Aug. 28-30 has been completed by Thomas A. Harman, general chairman. The first day will be devoted to committee meetings, registration, a cocktail party and a dinner. Speakers on the second day will be Mr. Harman, Mayor Devin of Seattle, H. H. Martin, Longview, association president; John C. Stott, Norwich, N. Y., N.A.I.A. president; Senator Cain of Washington; George W. Clarke of Seattle.

Speakers during the afternoon of the second day are Frank C. Colridge, general manager of Pacific Board; and Herbert H. Kirschner, public relations expert. The business meeting will be held with the report of officers at this time. The annual banquet will be held that evening.

Local board officers will meet at breakfast the following day. The program will open with a financial responsibility law session at which the speaker is Robert D. Williams, association counsel. There will be a panel on the law composed of H. P. Sargent, R. C. Jenner and Kenneth G. Myers, all of Seattle. The next speaker will be John McDougal, director of the financial re-

sponsibility division of the Washington department of licenses. A speaker, to be assigned later, will treat the all-industry public relations program on the new law.

Golf and a boat trip have been arranged for conventioners following adjournment. That evening there will be a cocktail party with the compliments of United Pacific.

Aided financially by a check for \$250 from Insurance Agents Assn. of St. Paul, a police traffic school will open July 25 under the auspices of St. Paul Safety Council.

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Michigan general agent, at present writing \$400,000.00 per year automobile, wishes to contact Fire or Multiple Line Company to represent on General Agency basis. Address V-29. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

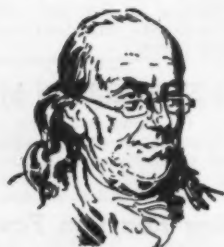
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- 4—RESOLUTION. Resolve to perform what you ought; perform without fail what you resolve.
- 5—FRUGALITY. Make no expense but to do good to others or yourself; i.e., waste nothing.
- 6—INDUSTRY. Lose no time; be always employed in something useful; cut off all unnecessary action.
- 7—SINCERITY. Use no hurtful deceit; think innocently and justly, and if you speak, speak accordingly.
- 8—JUSTICE. Wrong none by doing injuries, or omitting the benefits that are your duty.
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- 10—CLEANLINESS. Tolerate no uncleanness in body, clothes or habitation.
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(CONTINUED FROM PAGE 1)

a similar story is being repeated last year. Producers are getting in the habit of soliciting such business locally.

The overseas insurers are coming to realize the value of insuring many small items where in the past they concentrated on a few large risks. Overseas insurance has become competitive, it has become sales conscious. The bright young men who have been getting out and seeing the people are a reservoir for the future to insure that American overseas insurance will continue to get its message before the insurance public in a vigorous way and to make sure that American enterprises overseas are afforded the same coverage that Americans at home are offered.

The greatly expanded business of American insurance companies on overseas risks since the war has shown a steady proportionate gain in the casualty coverages. Fire coverages for many years were virtually the only insurance written by the American companies and groups of companies overseas. It is only within the last five years that one of the two largest groups in this field has written casualty coverages.

Where fire premiums formerly amounted to 20 times the casualty volume, now at least one fourth of overseas business comes from casualty insurance. The reasons for the former preponderance of fire coverages are varied. In the first place, even as in the United States, fire insurance was the basic insurance sold and casualty was originally a mere frill written for convenience. American company managements overseas, as in the U. S., concentrated on the fire line, because here was a constant source of premium that could be expected to renew year after year.

Restricted Casualty Market

A factor which has held down casualty premiums overseas, is that in many of the countries workmen's compensation is entirely a government affair and this source of premiums is lost as far as non-American employes are concerned. Also, in most foreign lands, the cost of living is lower and the consequent price of a life is cheaper. A good example of this is a truck accident in which a large American corporation recently figured in Mexico. A young mother and her baby were killed by a truck of this American firm. The affair was settled by a payment of \$40. Contrast this with similar damages that undoubtedly would be asked in a similar accident in the United States.

Then too in non-English speaking countries it is very seldom that recourse to the courts is taken by the ordinary man in the street. There has been no precedent built up in the courts of many foreign lands insofar as liability is concerned. American firms overseas simply do not need anywhere near the amount of liability protection that they need on their facilities in the United States.

What has accounted for a major portion of the increase in casualty business overseas for the American companies has been the great volume of construction that has gone on there. Bonding of all types has been heavy. Construction

work means a larger influx of American workers and executives than are maintained overseas after a foreign branch is put into operation.

In contrast to business in the fire lines, these casualty premiums are sporadic and temporary, yet American companies are getting away from the fire philosophy which caused them to disdain temporary business before the war.

The part which the American companies and groups are playing in insuring American interests overseas cannot be overestimated. Men engaged in the foreign insurance trade are conscious of the fact that for most executives in the American home offices of far-flung corporations, their vast overseas interests exist in a vacuum, even though they may total millions in value. The United States has become almost overnight an international commercial

power, yet it is difficult for Americans in managerial positions to project their thoughts beyond the United States and to have any real comprehension of what goes on in their overseas subsidiaries. Many top-ranking American executives show little inclination to visit their overseas empires or to have anything more than a surface familiarity with their overseas operations. The job of insuring these properties is frequently thrown to a lower echelon executive who has little time, talent nor liking for his job. It would be a hopeless task for such a buyer to insure adequately the overseas properties of his company without the counsel of the American overseas offices. In this way, he can get advice from men who are actually on the spot in the country where his company has its property. Surveys by overseas representatives who are familiar with local conditions and values and hazards are invaluable.

The American buyer could know very little about these factors and the overseas branch would probably be just a

few figures on a sheet of paper, impossible to visualize and, consequently, impossible to insure. Through the overseas offices of American companies, American industry at home is provided service, advice and a familiarity with local customs and laws, without which it would be impossible for insurance to be placed on American enterprises overseas.

Hearing on Mutual Merger

Commissioner Lange of Wisconsin has called a hearing Aug. 10, on the proposed merger and reinsurance of Central Mutual Fire of Wisconsin and Mutual Service Fire of Minnesota.

D. K. Zimmerman, for some years manager of the Griffith & Baughman agency at Liberal, Kan., has formed a partnership with W. V. Griffith and reorganized the firm as Griffith & Zimmerman. Mr. Griffith will not be active.

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EDITORIAL COMMENT

Timing of Rate Changes

Recent incidents, we think, indicate that attention might profitably be given by company men, agents and supervisory authorities to the possibility of working out some uniformly acceptable system for timing the effective date of rate changes and for making crystal clear how outstanding policies are to be affected, if at all. We have in mind the unfortunate Tennessee situation. Here the Tennessee department not only announced a general rate increase before the bureau was prepared to get its sheets to the agents, but also the commissioner said that the reduction would be applicable to outstanding policies in mid-term. Apparently he misinterpreted the intent of a bureau rule that was designed to cover especially situations wherein an assured makes an investment in improving his property and is permitted to get his rate reduction reward immediately if he takes new insurance, for the same term, in the same company and for not less than the old amount.

Also we are thinking of the resolution adopted by the directors of the Rochester Board protesting the timing of the rate and rule changes involving extended coverage endorsement No. 4. What the merits of that case are we don't pretend to know, but the fact that the agents feel so strongly about the matter, illustrates the fact that angularities do arise of more or less serious consequence very often in connection

with the fixing of dates when a rate or rule change is to become effective on new and renewal business.

The possibility of these troublesome situations arising is multiplied under our new scheme of almost universal rate regulation, because the state authorities are injected into the picture with the danger of a supervisor acting impetuously and without knowledge of customs and practical considerations for the agent and company, or even for the assured.

Insurance Director Stone of Nebraska apprehended the problem and some time ago held a hearing on the subject and then recently promulgated several timing patterns that would be acceptable to the department in connection with rate changes. This could very well constitute a good beginning for a national approach. There are differences as between fire and casualty situations and there would be no virtue in trying to oversimplify the solution by attempting to get out a brief timetable for all lines and for all states, but a set of principles or several patterns that could win the endorsement of the companies, agents and the states would serve to prevent singular and dangerous departure from accepted practice and might even silence the usual grouching that is heard whenever there is a change and that may have no more justification than mere rebellion at any change in routine.

New York Leadership

At the Seattle convention of National Assn. of Insurance Commissioners there were some outcroppings of the old custom of insurance commissioners of lesser insurance states kicking up their heels against what they feel occasionally is the New York bridle. Superintendent Dineen of New York did much to keep this on an innocent level, however, by a single quip. During one of the meetings, a commissioner of another state remarked that he didn't know whether it was any worse to have the business run from Washington than from New York. "What is this, insubordination?" Mr. Dineen broke in, good-humoredly and that was all there was to that "uprising."

In the old days the practice of "taking picks" on New York was a favorite practice on the part of a number of commissioners and it could be said that

it was almost a sport. At times, however, the feeling ran high and some ugly situations occurred. However, no great harm was done to the system of supervision in those days, because there were not nearly so many points on which there was utmost need for co-operation between the states or at least consistent action. As a matter of fact, when there was an actual national emergency from an insurance standpoint, these feuds subsided and the needful was done as, for instance, during the days of insurance company failures when it was essential to bring about orderly receivership proceedings, and when, in the dark days it was felt necessary to provide for a moratorium on withdrawal of life insurance funds by policyholders.

In these days, however, there are situations of national import crying for attention on all sides in the insurance

realm and it is a luxury that can't be afforded, to fence with the New York department just as a hobby. We are by no means suggesting that all the states should fall in step with New York on every proposal that comes along, or that there should be no dissent. The New York department doesn't always have the right answer or the final answer. There is no reason why the other commissioners should pull any punches in deference to the New York position. But the other states should have a full understanding of the nature of the leadership that the New York department provides and the other commissioners, in formulating their opinions, if in opposition to that of New York, should consider whether they are taking a completely enlightened and informed stand or whether they are to some extent influenced by an anti-New York bias.

If New York dominates the association it is by reason of the leadership that it provides. The leadership must come from somewhere and to take New York out of the picture today would leave the association very headless. There is a need for level headed forceful commissioners of other states to join in shaping the course of affairs and undoubtedly as some of the newer commissioners become acclimated and acquire confidence, they will come to the front, but today the cohesive force in the system of

state supervision is overwhelmingly the New York department. Mr. Dineen, we feel has developed a national viewpoint. By and large he has gotten along well with his fellow commissioners and he is the first New York superintendent in many a year to be elected president of N.A.I.C. We think he has respect for situations in other states that differ from those in New York and that he at least deserves at every point, to have the New York position studied objectively. What should be guarded against is the development, consciously or unconsciously of a block that tends to move automatically in opposite directions from New York. We are not thinking of any one incident when we say this, least of all are we thinking of the fire insurance multiple location risk problem. On this issue there are potent arguments on both sides and we are not by any means particularizing this situation. We simply feel that the commissioners should guard against the crystallization of a bias. There has got to be forceful leadership in the association and we feel that there is a need for other commissioners to step forward to share in that leadership, but that should be on the positive scale. There is danger in any tendency that results in nullifying the leadership that now exists without something else to take its place.

PERSONAL SIDE OF THE BUSINESS

Earl F. Woods, Crum & Forster state agent, Wichita, has returned to his office following a minor operation in a Wichita hospital.

Carl H. Goslee is celebrating his 48th anniversary with Phoenix-Connecticut group this month. He entered the employ of Connecticut Fire in 1901 as a member of the eastern underwriting department, and has served in that capacity continuously since that time.

Elmer S. Watson, former Connecticut motor vehicle commissioner, has resumed his partnership in the Arthur A. Watson & Co. agency, Hartford. Colonel Watson has been associated with his brother Arthur in the insurance business since 1929.

Donald Davis, Quitman, Ga., local agent, has been elected president of the Brooks County Chamber of Commerce.

Ashland in the Warren-Lamal agency, and later was associated with Thomas Bardon, taking over sole ownership after the latter's death. A son, Lawrence, is associated with the agency.

Arthur F. Opgenorth, 56, for 35 years with adjustment agencies in Milwaukee, died there after a short illness. He operated his own adjustment agency for 25 years before going with Nuernberg Adjustment Co. about nine years ago.

Merle H. Webster, Rose Hill, Kan., agent and president of the State Bank there, was killed in an automobile crash near Herington, Kan., while returning from a vacation tip on the Canadian border.

Mrs. Robert E. Israel, Sr., wife of the well known Wichita agent who is a former mayor of Wichita and mother of Robert E. Israel, Jr., president of Wichita Assn. of Insurance Agents, died at a Wichita hospital from a heart attack.

Stanley W. Tebbetts, 46, assistant secretary of America Fore, died at Manchester, N. H. Mr. and Mrs. Tebbetts were vacationing in that city.

Born in Brooklyn, Mr. Tebbetts attended New York University and started his career with Niagara Fire in 1922. Shortly afterward he joined American Eagle as map clerk and successively served as assistant examiner and examiner in the New York and New England departments. In 1926 he went to New Hampshire as a special

DEATHS

Henry N. Stone, for several years with Loyalty group and a charter member of Minnesota Blue Goose, is dead at the age of 77.

Peter Lamal, 87, pioneer local agent of Ashland, Wis., who was in agency work there for 64 years, died at a local hospital. He started in agency work at Bismarck, N. D., and in 1885 went to

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agent. He later covered eastern Massachusetts and Rhode Island in the same capacity.

Mr. Tebbetts was recalled to the New York home office of America Fore in 1935 as executive special agent for the general cover department. He held that position until January, 1948, when he was elected an assistant secretary and assigned to assist Secretary J. S. King in the supervision of New Jersey, Pennsylvania, Maryland, West Virginia, Delaware and District of Columbia.

John H. Toy, 71, founder and president of Rex Health Accident, Indianapolis, died after a heart attack. After several years with Metropolitan Life at Indianapolis, he organized Rex H. & A. in 1912. He was also president of Rex Underwriters, founded in 1939.

James K. Arnott, 68, retired casualty manager of the Buffalo office of Travelers, died there after a long illness. He retired in 1948 after about 40 years with the company.

W. E. McWilliams, a real estate and insurance agent at Middletown, N. Y., for 40 years, died there at 87.

Theodore R. Towner, 46, South Bend, Ind., local agent, died at his home after a year's illness.

Frank P. Tucker, prominent local agent of Albany, N. Y., died after a brief illness. Identified with the insurance business for nearly 50 years, Mr. Tucker retired as president of the Tucker-Smith agency about five years ago. He also was manager for the New York Cooperative Fire Underwriters for many years and was one of its organizers.

Mr. Tucker was at one time vice-president of Insurance Federation of New York.

Clifford J. Laser, 63, senior partner in the Laser & Hancock agency, Shelby, O., died there.

A. L. Bernard, veteran local agent of Serena, Ill., died.

Harry C. Rowles, state agent in Washington and Seattle for North British, died in Seattle after several months illness. He had been with the company 29 years.

Wallace D. Hicks, 54, vice-president of the Glens Falls companies, died suddenly after being stricken with a coronary thrombosis. He joined Glens Falls

in 1915. Five years later he was made chief clerk of the automobile and inland marine departments. In 1924 he was appointed special agent for these lines, and in 1930 was made manager. A year later he was given charge of the automobile department of Glens Falls Indemnity in addition to his other duties. Within the next four years he was elected secretary of all companies, and in 1940 became a vice-president.

J. R. Sleight, 50, Globe & Rutgers agency superintendent, who had been with the company 30 years, died at his home in Manuet, N. Y.

F. C. Gustetter, 83, retired vice-president and secretary of Phoenix of Hartford, died there. He retired in 1938 after 56 years in the business.

Gatherer to Fireman's Fund

Fireman's Fund Indemnity has named Walter J. Gatherer as special representative in western Michigan. From headquarters in the Houseman building, Grand Rapids, he will supervise casualty, A. & H., fidelity and surety.

Two New Home Managers

Howard B. White has been made manager of Home at Harrisburg, Pa. He joined the company in 1928 and served at Pittsburgh until 1940 when he was transferred to Harrisburg as state agent. Home also has promoted John B. Moore from state agent to manager at Wilmington, Del. He was served there since 1929.

Revise Vt. Dwelling Rates

New England Fire Insurance Rating Assn. has filed new schedules of dwelling rates in Vermont. There are no changes in rates on buildings in towns of B, C or D classes, where a 5% reduction was granted April 1. There is a cut of around 20% on year-round and seasonal dwellings, building and contents, in class E and F towns, those with substandard or no protection. Seasonal dwellings in class D communities are reduced about 16%. Household contents rates are increase 20% in B, C and D towns. The changes are effective July 18, and no prorata cancellation or rebate is permitted.

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This process not only dries and deodorizes damaged piece goods, but also replaces the mill lustre so they will compare with newly woven fabrics. As a result most of the processed goods can be returned to stock or offered for sale at the same price as new merchandise.

Act Immediately!

There is always the danger of mildew forming on heavily water-soaked piece goods. Contact us promptly and save yourself this risk. A wire or telephone call will bring one of our experts to the scene in a matter of hours.

Let us send you more detailed information
about our unique service. Write Dept. U-3.

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A. & H. Minimum Benefits Bill Passed in Calif.

Bitterly Contested Measure Gives Commissioner Broad Policy Approval Powers

When and if Governor Warren signs the minimum standards and benefits disability bill passed by the recent legislature, Commissioner Downey of California is expected to call an industry committee meeting at which some of the questions arising under the new law will be discussed.

The minimum benefits bill was one of the hardest fought in the legislature. Two amendments tacked on in the late stages helped to subdue newspaper criticism by exempting newspaper accident policies and newspaper hospital policies.

The new act gives the commissioner almost a completely free hand in approval of A. & H. policies. The two provisions which aroused a good deal of controversy in the industry were those that state that "the commissioner shall not approve any disability policy for issuance or delivery in the state: (1) If he finds that it contains any provision, or has any label, description of its contents, title, heading, backing or any other indication of its provisions which is unintelligible, uncertain, ambiguous or abstruse, or likely to mislead a person to whom the policy is offered, delivered, or issued;" and (2) "if any coverage of the policy, or the policy as a whole, is (or will be due to age reduction) not sufficient to constitute insurance of real economic value to the insured."

Cost of Living Provision

Mr. Downey contended that the act is aimed chiefly at bringing into line a few companies whose practices he could not otherwise control. However, besides stating that the purpose of the measure is to prevent fraud and unfair trade practices in disability insurance, there is included "insurance economically unsound to the insured," which permits the commissioner to gear policy provisions to the general cost of living. The bill states that in acting under this provision, the commissioner shall treat similarly insurances which are reasonably to be expected to be offered to similar economic or occupational classes and he shall give regard to sound underwriting; amount of benefit, length of time of benefits, nature or extent of benefits, or any combination thereof, and whether the policies are issued on an industrial or other basis. The act further states that it shall not be necessary that a policy cover the full amount of loss.

The bill also states that the commissioner may not approve a policy that contains a provision which has the effect, other than at the election of the insured, of substituting a specified indemnity for any or all other policy benefits unless the elective payment is equal to or greater than the total of the benefits substituted for. When the policy provides lifetime loss of time benefits and specified payment is substituted, the least that may be offered is 48 times the maximum payable under any circumstances in any one month under any provision of the policy. If total disability pays for more than 12 months, partial disability must be paid for at least three months.

The new rules are not effective on

Agents Protest Red Cross Blanket Insurance Plan

WASHINGTON—Many agents and their organizations are reported up in arms against a reversal of American Red Cross policy with respect to coverage for automobiles of local chapters and workmen's compensation for paid employees.

Heretofore, agents say, it had been the practice to handle insurance for local chapters on a local basis with agents in their respective areas. In recent months, however, the Red Cross board of governors decided that auto B.I. and P.D. liability in connection with national headquarters and chapter-owned equipment and workmen's compensation should be covered under blanket policies.

It is learned that Red Cross anticipates buying such a blanket policy from the Travelers Washington agency. Formerly, part of Red Cross insurance was handled on a national basis, including coverage for some 6,000 employees, national headquarters equipment, etc. Red Cross now has an insurance office that is implementing its board of governors' decision.

Agents' spokesmen say there is widespread resentment against the new program; that many agents have supplied coverage to Red Cross chapters on a non-profit basis; that agents contributed to Red Cross and solicited contributions for it; that if the blanket policy program saves premiums, as Red Cross reportedly anticipates, it would not be a real saving, from the long-range point of view.

STOTT ATTACKS PLAN

A charge of poor arithmetic and judgment, in addition to the loss of local agents' service, has been leveled at American National Red Cross by John C. Stott, president of National Assn. of Insurance Agents, in answer to its plan to centralize all of its local chapter automobile liability and workmen's compensation under master policies at its Washington headquarters.

"It is offensive to the principles of the American agency system for any organization that relies on support at the community level to disrupt the local insurance service they are getting, not to mention alienating a large group of persons upon whom they have depended for campaigning, hours of labor and contributions," Mr. Stott said.

The concern of officers of the National association and Mr. Stott's charges do not, he said, arise out of their thinking but come as a result of a flood of protests that have poured into national headquarters from agents all over the country.

N.A.I.A. calls attention to the fact that the automobile liability contract may violate state fictitious fleet rules. The Red Cross states that the cars are chapter-owned and that employees are chapter-paid.

The National Bureau of Casualty Underwriters approved the plan, which is being written in Travelers, according to N.A.I.A., but the 3,752 Red Cross chapters are not separate entities but part of the American National Red Cross, which is responsible, for example, for chapter debts.

Some insurance departments, including New York, New Hampshire and New Jersey, are investigating the plan and its legality. Countersignature laws

(CONTINUED ON PAGE 22)

new policy submissions until Jan. 1, 1950, and will not affect old policies until July 1, 1950.

The bill establishes a committee of five members to be appointed by the commissioner from persons actively engaged in the insurance business.

Purdue Bleacher Crash Settlement Is \$28,000

Casualty people are interested in the fact that settlement was recently made in connection with five claims resulting from the bleacher crash at Purdue university Feb. 24, 1947. The total insurance company settlement was \$28,000.

Several were killed and many injured in this bleacher crash, but only the five claims have been made. Two years have expired. Of course many of the injured were minors, but the statute of limitations would outlaw all other claims.

Although the bleachers were properly set up on the football field outdoors under the direction of the manufacturing company and such company advised the Purdue authorities that it would be glad to give them full directions and assist in moving the bleachers into the field house for the use during the basketball season, this suggestion was disregarded and the Purdue maintenance force moved them and, according to the evidence in possession of the insurance companies, weakened them somewhat. Nevertheless, a commission, appointed by the governor to make investigation and determine the cause of the crash, found that the metal hooks, which carried the weight and force of the forward thrust when the bleachers were occupied, were defective.

These metal hooks were furnished by the manufacturer of the bleachers and of course, the insurers were afraid this decision of the governor's commission would have a great influence on any jury. As a matter of fact, the real experts disagreed as to the cause of the crash, some thinking it was due to the faulty installation in the field house and others felt that these strap hooks were of insufficient strength. This would make the question one for a jury and since all five of the claimants had serious injuries, it was deemed highly advisable to make such a settlement since the figure finally accepted might have been reached as a verdict in any one or two of the cases. Another consideration was that Purdue, being a state institution, could not be sued and its negligence, if any, could only be used by the defense since the plaintiffs did strive to their utmost to place the responsibility upon the manufacturer and broker.

There were two insurance companies involved, one covering the manufacturer of the bleachers and the other covering the broker who sold them, and both contributed to the settlement.

Representing the insurers was James L. Murray of the Indianapolis law firm of Murray, Mannon, Fairchild & Stewart.

New Fiscal Agent Rider for Insurance Company Bond

Surety Assn. of America has adopted a fiscal agents' rider for use with insurance companies' primary commercial blanket bond to cover only fiscal agents, loan agents or loan correspondents. Previously, fiscal agents had been excluded. The rider replaces the former primary commercial blanket bond covering fiscal agents. The minimum amount for which such coverage can be written has been reduced from \$25,000 to \$10,000.

The association also has introduced a rider to amend the primary commercial blanket position bond to include "faithful performance of duty" coverage when issued to fraternal and beneficial orders.

Indemnity of North America has announced that it will join the ranks of companies that will write TDB business in New York.

Insurers Urged to Credit Truckers' New Safety Standards

American Trucking Assns. Insurance Committee Delves Into Deductible

WASHINGTON—The trucking industry insurance advisory committee, at a two-day meeting here endorsed a set of minimum standards for safe truck operation, "designed to aid both motor carriers and insurance interests in the task of reducing losses from fire, theft and accidents."

The committee, a unit of American Trucking Assns., also discussed the desirability of increased use of deductibles and the possibility of urging the interstate commerce commission to relax its regulations governing limited self-insurance.

It was the consensus of the committee that "in most instances deductible insurance is not very practical with respect to public liability and property damage coverage." It was agreed, however, that deductible cargo insurance could be a means of savings for both carriers and insurance companies.

The meeting was attended by, among others: Walter E. Attridge, Boston, representing National Assn. of Insurance Agents; Philip L. Baldwin, executive secretary of National Assn. of Mutual Agents; Thomas N. Boate, Assn. of Casualty & Surety Companies; Frank M. Chandler, Chandler agency, Baltimore; Charles Cunningham, Curtin & Brockie, Philadelphia; R. Bruce Miller, North America; T. L. Osborn, National Retailers Mutual; George H. Perry, Massachusetts Bonding; Donald Vaughn, Aetna Casualty, and G. B. Slattengren, Seaboard Surety.

Urge Underwriting Recognition

It was announced that "insurance interests will be urged to utilize the (minimum safety) standards as a yardstick in analyzing motor carrier risks, and to give underwriting recognition to truck lines which put the standards in effect." Committee members viewed the minimum safety standard program as the surest method of cutting losses and thus reducing insurance costs.

Ted V. Rogers, chairman of the committee, explained that while the standards "would not be considered mandatory," if they are met by a trucking company, it will indicate that an operation is satisfactory safety-wise.

The chief drawback with respect to deductibles and self-insurance in trucking, the truckers indicated, is that the ICC presently will not permit motor carriers to self-insure to the extent of the deductible. Even where a cargo deductible arrangement exists between the truck line and the insurance company, the ICC requires the latter to guarantee payment of losses under the deductible clause in event the motor carrier fails to meet its responsibilities. Under these circumstances, insurance companies are reluctant to encourage deductibles and, where deductible clauses are involved, are not able to give the carriers the kind of rate reductions which might ordinarily be expected.

The committee instructed its chairman to appoint a subcommittee to work with the truckers' general counsel in preparing a tentative petition asking the ICC to permit qualified motor carriers to assume a modest portion of their

(CONTINUED ON PAGE 22)

Governmental Immunity Issue Won by Insurer

The Georgia supreme court has resolved in favor of Glens Falls Indemnity, an action that was designed to recover from that company under a policy covering a county which, under the Georgia law could not be sued, the plaintiff relying on the policy provision under which the insurer agrees to refrain from claiming exception from liability to the

named assured because of any restrictions whereby the named assured may be legally exempt from liability for damages. The court found that suit could not be brought against the county alone, against the county and insurer together or against the insurer alone.

The case was *Arnold vs. Walton et al Comrs.* Mrs. Sarah Ellen Arnold brought suit against Crisp county power commission to recover damages for the death of her son, who, it was alleged, was negligently killed because of being exposed to a high voltage transmission line operated by the commission.

In the first place, the supreme court held that the duties of the power com-

mission are wholly ministerial and hence the suit is in effect, one against Crisp county. The court then held that a suit for damages of this kind cannot be maintained against Crisp county.

The plaintiff argued, however, that notwithstanding the rule that a suit against a county cannot be maintained unless there is legislative authority for so doing, this suit can be maintained and Glens Falls made a party defendant because the power commission secured a liability policy in which the insurer agreed not to plead as a defense, the immunity thus granted to counties by law.

The court held that there is nothing in the Glens Falls contract that gives an injured person any greater right or privilege of joining a tort-feasor and the insurer in the same action than is enjoyed by litigants generally in actions against tort-feasors. The court said that the contract was not one that was entered into for the purpose of protecting the public. The contract is one made between the insurer and the insured, and it expressly provides that the insurer agrees that it will not "in any case of loss or damage arising under this policy during the terms thereof claim exemption from liability to the named assured because of any statute," etc. There is nothing in this provision conferring any benefits upon the public. There is nothing here which estops the insurer, as against Mrs. Arnold, from raising the question of the immunity of the county to suit. If a judgment were once obtained against the county or if a settlement were made under the terms of the contract, the provision as between the county and the insurer might become operative, but no estoppel can arise against the insurer as against Mrs. Arnold by reason of this clause of the contract. Nor would the fact that the insurer furnished counsel to defend the suit, as it was obligated to do, work any estoppel against the insurer.

There is no statute which would authorize the joinder of the power commission and Glens Falls in the same action nor is there any law which would permit the bringing of an action directly against the insurer alone without the liability of the insured having been fixed by judgment or by settlement under the terms of the contract.

State Fund TDB Bill Loses Second Vote in Mass. House

The Massachusetts house voted 110 to 107 in the morning and 112 to 108 in the afternoon against the monopolistic state disability benefits fund measure, and the action apparently kills the federal security administration type of monopolistic state fund for this session.

The second vote came after the lower house had voted to reconsider the measure, although during the night before it had turned down the legislation by a narrow margin. The fight over the bill was one of the most bitterly fought in years at Boston.

Governor Dever of Massachusetts has indicated he will not ask the legislature to revive the cash sickness bill this year. He will ask for a recess study of the subject, which was suggested originally by insurers and industry.

Plan D Approved in Mich.

LANSING, MICH. — Commissioner Forbes approved after about a year's delay, several proposed filings of Michigan workmen's compensation bureau.

Most controversial of the proposals was the so-called rating plan D, which has not been in effect on any basis in Michigan. It permits the combining of certain liability coverages with compensation to determine the size of the risk and permit larger discounts through the reduction of servicing costs to the carriers. Objections to the plan from Michigan-domiciled carriers have been eliminated, the commissioner said, through the proviso that more than one carrier may be on the same risk. This was provided for in a supplemental filing by the bureau.

Unusual Welfare Program on West Indians in U. S.

NEW YORK—A program of coverage on natives of the British West Indies in the United States as agricultural workers recently was worked out by C. J. Reid, president of the brokerage firm of C. J. Reid & Co. here, and Horace DeLisser, consultant on life insurance, welfare plans and the like, and the British West Indies central labor organization. United States Life underwrote the plan, which provides \$1,000 non-occupational accidental death and dismemberment, \$21 per week accident and sickness benefits, \$8 per day hospital expense, \$50 medical expense and \$75 surgical expense. There are other benefits in doctors' reimbursement and the like.

During the war more than 100,000 West Indians came to the United States from Jamaica, Barbados, British Honduras and the Bahamas to engage in emergency agricultural activities.

Under public law 229, certain limited welfare benefits were provided for them and their families while engaged in what was then part of the U. S. war effort. They helped replace the agricultural labor pool diminished by demands of the services and war industry.

At the end of hostilities, funds for the welfare needs of the West Indies were not provided by Congress, and there was a continuing need for them in the U. S. agricultural economy on a private basis. The British West Indies central labor organization, a department of the British government, was unwilling to permit them to continue in the U. S. without such benefits, either supplemental to workmen's compensation, where applicable, or for non-occupational occurrences.

In the course of an investigation by the British labor government, which had in mind substituting for the benefits that had been paid by the U. S. government, the matter was submitted to Mr. Reid, who presented a theory of coverage to U. S. Life. The group presented several insurance problems—it was 100% non-Caucasian, there were no common employers—the employer might be an individual farmer, a large farmer, cooperative or planter associations such as cotton growers, tobacco growers, sugar growers, etc. Often the workers were migratory, working in the tobacco districts of Connecticut in the summer and going south to work in the winter. A number of other problems arose, such as qualifications of hospitals, clinics, nurses and doctors.

After 18 months of operation, the plan has proved itself highly successful. It has met with approval of the British government, workers, employers and the insurer. Benefits have been increased without additional cost because of favorable experience. The plan has been particularly interesting because it has tackled the problem of insuring agricultural labor with protection available to other types of workers. It is believed that if the insurance plan had not been developed to replace what had been in effect a government subsidy, it would have been impossible to retain the West Indians in the U. S. agricultural economy at a time when it was important that they be kept there. There were many legal problems, and this required the sympathetic cooperation of insurance departments that were interested, attorneys for the insurers and the West Indies government.

Garvin Conn. Deputy

Commissioner Allyn of Connecticut has appointed Edward T. Garvin deputy commissioner. Mr. Garvin, who has served in the department for 16 years, has been investment supervisor and liquidating agent. In the past he has headed the department in the absence of the commissioner and deputy.

Our Special Bi-monthly Message to Agents and Brokers

A NEW SERVICE FOR YOU TO OFFER

Without writing a separate policy, you, as Agent or Broker can now complete the personal liability protection of your insureds who have our automobile liability policies on private passenger cars but no other personal liability protection.

A new endorsement, offered by our Companies, adds the well-known Comprehensive Personal Liability insurance to our ordinary private passenger car liability policies. The insured is then covered for his liability for both automobile and all other accidents. And, all personal liability insurance is conveniently included in one policy.

The same low premium is charged for this endorsement as for the separate Comprehensive Liability Policy.

Every client who has our private passenger car liability policy, but no separate policy for other personal liability is a prospect for this additional coverage.

"MAILROAD TO PROFITS" — write for your free copy of a recent issue which gives complete information on this new endorsement.



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National Surety Devises One-Write Policy System

National Surety has thoroughly overhauled the design of its policies to expedite their writing by agents and their completion in the home office. In the process the company evolved a procedure of reproducing the records needed at the home office, from a parchment carbon of the daily that is made when the policy is written. This has reduced materially the detail connected with this procedure.

National Surety tackled the program almost two years ago and today has behind it most of the knotty problems which were involved. The process has been applied to automobile and burglary policies and will be used on others as time goes on. The results are impressive.

With the active interest of Vincent Cullen, president; Ellis Carson, executive vice-president, and James O'Hea, vice-president in charge of administration, the program was placed in the hands of the methods department, of which Thomas C. Ekeland is manager, assisted by Ralph C. Graves, for development.

Aimed at Saving Agency Labor

Primarily National Surety was interested in redesigning the policy form to make it easier to prepare, so that the girl typing it in the agency can get volume.

Among conventional insurance policies some must be removed from the typewriter and reinserted for typing the reverse side. In others, some information is for the daily only, not for insured's copy, so it is necessary in the agency to remove the policy from the typewriter, insert the daily and complete it. If the paper is too heavy, the typist has to pound heavily in order to get good carbon copies or she has to do it in two takes.

National Surety now has a policy that is completed with one insertion. It is accurately typewriter spaced, designed for block operation and for use with a tabulator stop. It is of letter size, and eventually all the company's policies will be that size. It requires no preparatory work by the typist because it uses one time carbons.

Separate Declarations Section

The company has separated the declarations from the contract section. On the usual contract, the declarations are a part of the policy and the policywriter has to type the index or filing back after she finishes the rest of the policy.

The redesigning of the declarations portion of the policy required time, thought and experimentation. It was the key to the entire program. A separate declarations section is not unusual in the casualty business. Several companies use a two-part policy, but so far as is known National Surety's is the first contract section that is not numbered. This makes a difference to both agent and company. If the contract section is revised, as it is periodically, those sections only need be thrown away. The declarations section rarely is altered. There are no numbered policies for agent and company to account for. It is unnecessary to throw away a supply of policies containing both declarations and contract. The separate contract sections provide a supply of specimen policies. Under the National Surety system, it is often simpler for the agency to write the policy than to fill out an application.

ACCOMPLISHMENTS

In summary the system accomplishes the following: A carbon loaded snap-out set of declarations obviates hand assembly of carbons and dailies. Proper typewriter spacing makes unnecessary the hand positioning of the typewriter platen. The declarations page is laid

out in uniform tabular-stop arrangement throughout which saves manipulating the carriage release and space bar. Arrangement of data in block form makes it easier to type and read than the usual staggered long and short lines of a narrative form. Packaging of policies in labeled boxes provides an easy, clean and protected storage of forms for quick

access on shelf or desk, in file or desk drawer. Letter size policy forms require less files and storage space. All typing is confined to the letter size declaration page, which saves extra insertions of forms in typewriter with consequent re-assembly of parts. All forms are pre-numbered, which means positive numbering, eliminates errors in transposition and errors in reading poor carbons. The dailies and the parchment carbon of declarations are side numbered for fast filing. The window style contract section eliminates typing of filing backs. The distinctive, modern typography and large type should remove the criticism

of "small print." Modern styling is expected to be more pleasing to the customer and provide eye appeal. Self mailing window envelopes can be used, which eliminates addressing envelopes by the agent. The contractor declarations sections are packaged separately so they are readily accessible.

Unique Features

The tabular-stop arrangement, the packaging of declarations sets, the letter size declaration page, window style contract section, redesigned typography and ability to use self mailing window

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EUROPEAN GENERAL REINSURANCE

COMPANY LTD.

OF LONDON, ENGLAND

REINSURANCE

CASUALTY

FIDELITY

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T. L. HAFF, U. S. MANAGER E. BRANDLI, Asst. U. S. MANAGER

Diversification of Business Urged on Aetna Casualty School Graduates

"Diversify your business, participate in community affairs and lay away a part of your earnings as capital," was the advice given graduates of the 109th session of the Aetna Casualty sales course by Vincent F. Wilcox, Jr., of R. C. Knox & Co., Hartford agency.

Mr. Wilcox, a graduate of one of the early sessions of the sales course, was the guest speaker at the graduation dinner following the close of the course.

Pointing out the pitfalls of too heavy a concentration in one line, Mr. Wilcox advocated "getting a good spread to avoid becoming top-heavy in any one department." By becoming active in community affairs, he declared, "you will build up the confidence which a successful insurance salesman must enjoy in his community."

Urges Building Up Capital

Mr. Wilcox urged the graduates to apply a small part of their earnings toward building capital that eventually would permit extending credit where warranted and at the same time provide a reserve for unearned commis-

sions on contracts that might be cancelled.

With each insurance account, Mr. Wilcox said, "conduct yourself as if it were constantly in jeopardy." Seven out of 10 cancellations, he contended, result from the agent's failure to contact the policyholder personally at the time of renewal.

Amos E. Redding, director of the course, who served as toastmaster, announced that the number of graduates now exceeds 3,600. He said the sales course had strengthened the Aetna organization with youth who would in the future be instrumental in advancing the progress of the company.

C. G. Hallowell, vice-president, described the work which had gone into the development of a novel program for the fall agency meetings. Mr. Hallowell stressed the time, effort and money spent at the home office testing out new ideas, many of which originate in the field, and adapting them for general use by all agents.

Edward C. Knapp, secretary, described the relationship between the

home office and the agents as "the closest kind of partnership" and pictured the sales course as the first phase in the development of this partnership.

The class was led by Richard M. Ollmert of Chicago, Ill. Other blue ribbon award winners for high scholastic standing were Frank B. Malott, Houston; Carlos D. Gwin, Charleston, Ill.; Sam Rosenau, Pensacola, Fla.; John T. Van Landingham, Salem, Ill.; William D. Ely, Rutherford, N. J., and Van H. Brown, Hickory, N. C.

Gold ribbon awards, presented to students demonstrating outstanding skill in soliciting techniques, went to Mr. Brown, Robert Shelley of Solvang, Cal., and Mr. Van Landingham.

States represented included California, Connecticut, Florida, Illinois, Mississippi, North Carolina, New Jersey, New York, Pennsylvania and Texas.

Anderson Talks on Selling To San Antonio Assn.

San Antonio Assn. of A. & H. Underwriters heard A. D. Anderson, Occidental Life home office supervisor for the southwest, talk on selling. He developed the necessity for an agent knowing the policies which he seeks to present and that he be able to present clearly and effectively the benefits and the restrictions of the policy he offers. He stated that often a policy will be sold because of what it does not do.

Mr. Anderson said many agents concentrate on life insurance and regard A. & H. as the little brother of life insurance. Thus, he said, they will fail to solicit the man who has an income of \$20,000 per year. He declared that this man may become disabled by sickness or accident and find himself in straitened conditions which would be obviated by a monthly income from a policy providing sickness or disability payments.

He called attention to the fact that many producers sell a planned program. He declared that no personal insurance program is complete which does not provide disability protection and indicated that the correct plans for disability insurance need thought and consideration of the problems involved just as much as the planned life insurance program.

The association voted to accept members at large from the smaller towns around San Antonio for \$6 per year. O. D. Harlan gave a report on the Cleveland convention.

National Health Program to Be Abandoned

WASHINGTON — Administration forces in Congress are about to abandon the President's national health program, and enact vital parts of the legislation dealing with adequate hospitals and greatly increased flow of medical personnel, it was indicated in a letter to Hugh H. Murray, Jr., president of National Assn. of Mutual Insurance Agents, from Senator James E. Murray, (D., Mont.), chairman of the Senate subcommittee conducting hearings on the various health programs. Senator Murray said: "You will be interested in learning that we have already agreed to separate the various titles of S-1679 (the Truman health plan), and to consider them as separate pieces of legislation.

"I am hopeful," Senator Murray continued, "that we shall pass title I, involving federal aid to health education in the very near future."

Mr. Murray had also pointed out to both committees that Democrats and Republicans were agreed that no omnibus health program could be passed. "But," he added, "the whole nation agrees on the urgent need for personnel and hospitals."

F. F. Elects Giannini

Lawrence Mario Giannini, president of Bank of America, was elected a director of Fireman's Fund. Mr. Giannini fills the vacancy left by the death of his father, A. P. Giannini.

Am. Reserve Enters A. & H. Field

American Reserve Life has entered the A. & H. field.

The new line of policies and sales material was explained at a meeting of field men in Omaha by Harold R. Hutchinson, executive vice-president, and Raymond J. Kane, assistant secretary.

Don Correll of Kearney who led the entire field force in production during 1948 was honored at a special dinner. He received a bronze plaque for his achievement.

1950 Mid-West Conference To Be in St. Louis

ST. LOUIS — The second midwest territorial conference of the National Assn. of Insurance Agents will be held here March 27-28, 1950.

H. H. Corson, Nashville, is chairman of the conference and Oden Prowell, president Insurance Board of St. Louis, is treasurer.

The gathering here will follow the pattern of the first such territorial conference held at French Lick, Ind., in March of 1949. The executive committee of National Assn. of Insurance Agents will meet March 25-26, while the main meeting of the conference is to be on March 27-28. The state national directors of N.A.I.A. are to meet in St. Louis March 29-30, under tentative plans.

Initiate "Suggestion Box"

Fireman's Fund group has initiated a "suggestion box" program at the head office at San Francisco.

Employees are being encouraged to submit constructive suggestions toward improving operations. Similar programs have already been instituted in departmental offices of the company throughout the country.

Awards varying from \$10 up will be given to those offering suggestions worthy of adoption.

The suggestions will be reviewed by a committee headed by Harrison C. Botteroff, treasurer and assistant comptroller. The program has been devised so that suggestions remain anonymous to everyone on the committee except the personnel manager.

Named by State of Pa. in S. C.

Johnson & Johnson, managers of Charleston, S. C., have been named South Carolina general agents for State of Pennsylvania. The firm now represents eight fire companies and seven casualty companies.

Representative of Lloyds Pays Claim to Newsmen's Widow Day After Air Death

An example of top speed in claim payment was furnished by the recent crash of a Dutch air transport in India on which 13 newspaper men lost their lives. The widow of Nat Barrows, "Chicago Daily News" correspondent, was paid the \$10,000 due her under a Lloyds accident policy on the day following the accident, the very day in which the news of the crash reached the public. This quick action was made possible by issuance of a personal check for the amount by L. F. Hawley, president of Newhouse & Hawley, Chicago firm through which the Lloyds coverage was placed. This quick action enabled Douglas T. Ganun, Chicago representative of the broker in the case, Barham & Mitchell, to present the check to the beneficiary and have her sign proofs of death at the same time.

This is the second loss under such a policy since the coverage was taken out by the newspaper on its overseas correspondents in 1938. One other man was killed in the Philippines.

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CHANGES IN CASUALTY FIELD

F.&D. Gives Wright New Official Duties

Harry Y. Wright, who has served since February, 1948, as comptroller and secretary of Fidelity & Deposit and American Bonding, has been elected treasurer of the companies, succeeding the late Roland Benjamin, who died July 2. Mr. Wright has relinquished his post as comptroller, but will continue as secretary for both companies.

Mr. Wright joined F. & D. as clerk in the accounting department following his graduation from Baltimore City College in 1924. He was traveling auditor from 1934 until 1941, when he was recalled to the home office. He was elected assistant treasurer in 1945.

Edw. S. Kelly Made Casualty Division Manager at Atlanta

Edward S. Kelly has been appointed manager of the casualty division of the southeastern department of General Adjustment Bureau, with headquarters in Atlanta.

Mr. Kelly, a native Georgian, received his elementary and high school training in the Atlanta schools and graduated from Atlanta law school.

He was formerly with U. S. F. & G., Aetna Casualty and Standard Accident, and for years with Globe Indemnity. He is a charter member of Atlanta Claims Assn., having twice served as its president. He served as chairman of the Georgia Bar Assn. committee on insurance ethics and practice.

Stoddard M. & M. Indemnity Public Relations Chief

Manufacturers & Merchants Indemnity has appointed Harry H. Loomis manager of advertising and public relations. Mr. Loomis was formerly manager of the company's branch office at Louisville, and later became southeastern manager at Atlanta, from which post he is now promoted.

Musgrave to Home Ind.

Emerson Musgrave has been appointed assistant manager of Home Indemnity at St. Louis.

Mr. Musgrave, a graduate of Butler University, was formerly assistant superintendent of the fidelity and surety department of the St. Louis branch office of Aetna Fire.

Home Indemnity also has appointed Harold F. Beck underwriter at St. Louis. He was formerly with Maryland Casualty there as senior underwriter of compensation, public liability, boiler and water damage.

Myers to Vernon General

R. Kenneth Myers has joined Vernon General as special agent with headquarters at Evansville, Ind. Mr. Myers started in the business in 1932 with U. S. F. & G. at Indianapolis, and for the past six years has been with the Stone, Stafford & Stone general agency of that city.

Cole Now V.-P. at Buffalo

John T. Coll has been named resident vice-president at Buffalo of James S. Kemper & Co. agency. Mr. Coll has been with the company since 1937 and has been manager at Buffalo since 1946.

American Mutual Promotes Two

Charles J. Donaghy, former Philadelphia resident secretary, for American Mutual Liability, has been named Atlantic division service manager. Raymond E. Dorr, Washington, D. C., sales manager, has succeeded Mr. Donaghy at Philadelphia.

Mr. Donaghy joined the company in

1943. Mr. Dorr began with American at Boston in the advertising department in 1937, transferred to the sales department Mutual in 1944.

Bennett Retiring From Travelers

Joseph W. Bennett, assistant auditor of Travelers since 1929, has retired from active service upon advice of his physician.

Mr. Bennett joined Travelers in 1907 as a member of the life actuarial department. He subsequently transferred to the general accounting division and became a member of the audit department in 1915.

Don E. Hutchings, formerly office manager of the Iowa branch of General Casualty of Wisconsin, has joined Hawkeye Casualty as an underwriter in the automobile department.

H. Edmund Vachreau, with Employers Mutuals of Wausau, Wis., since 1937, and resident representative at Ironwood, Mich., since 1940, has been appointed manager at Escanaba, Mich., to succeed the late W. L. Kennedy.

To Move A.&H. Association Office to Chicago Aug. 1

International Assn. of A. & H. underwriters will occupy its new headquarters office in the Insurance Center building, 330 South Wells street, Chicago, Aug. 1. The move to Chicago from Indianapolis, directed by the executive secretary, Wesley J. A. Jones, was authorized by the association's executive board at its recent convention.

Due to unforeseen circumstances, the association's A. & H. sales course planned for Drake University, Des Moines, Aug. 1-12, has had to be cancelled. The date for the next session of this course will be announced later, although it is not expected to be taught at Drake before the end of the current calendar year. Plans are in progress to offer the course at an eastern university in the near future.

120 Day Limit Given

PETOSKEY, MICH.—Dr. R. L. Nory, Detroit, president of Michigan Medical Service, announced at the

Michigan health service convention of Blue Cross organizations here, that his group and Michigan Hospital Service, plan to liberalize their non-surgical hospital care benefits. Members will be allowed 120 days such care, starting Sept. 1, compared with the present 30-day limitation.

Conference to Extend Regional Meeting Program

Three new members and one associate member joined H. & A. Underwriters Conference at a meeting of the executive committee at Chicago.

The new members are American Reserve Life, Omaha; American General Life, Houston, and Guardian International Life, Dallas. The actuarial firm of Bowles, Andrews & Towne, Richmond, became associate members.

The committee voted to provide an accelerated program of regional meetings for the coming year. It is planned to have one-day meetings held in various sections, in cities centrally located to conference companies. While these

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meetings will be developed for the interest of conference members primarily, they will be open to everyone interested in A. & H. insurance.

Legler Named General Agent

William S. Legler has been appointed general agent at Minneapolis of Wisconsin National Life. He will have charge of Minneapolis, St. Paul and the adjacent six counties. He has been identified with the life and A. & H. business in the Twin City area for eight years. He is vice-president of the Minneapolis A. & H. Assn. and a member of the board of the Minnesota state association. His offices are in the Northwestern Bank building, Minneapolis.

Hodgkins Speaks at Detroit

Edward R. Hodgkins, superintendent of agents for Massachusetts Protective, addressed the July meeting of the Detroit A. & H. Assn. on "Problems of Agents." There were about 100 members in attendance.

"Quota Buster" Luncheon

Kansas A. & H. Underwriters Assn. held a special "quota buster" luncheon at Wichita, honoring Robert W. Hawk, Security Mutual, membership chairman,

whose committee increased the association's membership from 65 to 169 last year to win the National association membership cup at the Cleveland convention. Only the Chicago association exceeds the Kansas association in membership. Claude W. Jackson, Interstate Assurance, retiring president, presided. E. L. Mack, Provident Life & Accident, is the new Kansas president.

Plan Wichita Falls Assn.

The executive committee of Texas Assn. of A. & H. Underwriters will hold its next meeting at Wichita Falls for the purpose of organizing a local association there. Plans for the 1951 Dallas meeting of International Assn. of A. & H. Underwriters will also be discussed.

American Surety Life of Marshall, Tex., has been licensed to write life and A. & H. in Oklahoma. Try Slaughter of Oklahoma City is general agent.

Improved A. & H. forms have been adopted by the casualty companies of the Royal-Liverpool group. Simplification and convenience have been achieved through a reduction in forms from 10 to five and the use of a single application. The companies have also put out a remodeled A. & H. sales kit.

WORKMEN'S COMPENSATION

Cal. "Comp" Law Is Considerably Liberalized

Ten amendments to the California compensation law have been signed by Gov. Warren. These grant compensation from the day of injury where disability is more than 49 days; provide that where permanent disability exists, payment follows immediately upon termination of temporary compensation payments; provide for reimbursement to employee of expenses incurred for X-ray or medical reports necessary to prove a contested claim; extend continuing jurisdiction of industrial accident commission for 15 additional weeks, making it full five years from date of injury.

Also provide that the appellate court may assess attorneys fees against employers or insurers in case of frivolous appeals; increase the estimate of probable earnings of minors from \$21.20 to \$30 where injury results in permanent disability; increase burial expenses from \$300 to \$400; provide that no deduction will be made from death benefit awards for any disability payments; classify chiropodists within the meaning of the term physicians under the law.

Other bills which are expected to be signed provide that a widow with a dependent child shall receive 25% additional up to a maximum death benefit of \$7,500; increase allowances for permanent disability rating cases up to a maximum of 400 weeks for 100% disability.

Wis. Compensation Benefits Increased on Several Fronts

MADISON, WIS. — Important changes have been made in the Wisconsin workmen's compensation act by the 1949 legislature. Increased compensation rates and most other benefits apply to industrial accidents after June 1, while the 1947 provisions will be effective on accidents occurring previous to that date.

Disability benefits have been increased from a maximum of \$28 per week to \$32.55 per week, with payments based upon 70% of weekly wages.

Temporary disability during which compensation is payable for loss of earnings, now includes the period required for training in the use of artificial limbs and appliances, up to 40 weeks.

Employees may receive compensation for necessary travel incurred for the

purpose of obtaining training under the federal vocational rehabilitation act.

An employee dissatisfied with the treatment provided by the first doctor selected from the panel named by the employer, may now make a second choice from the panel.

Where the employee willfully fails to use safety devices prescribed by law or ordered by the industrial commission and provided by the employer, benefit payments are reduced by 15%.

Okla. Hearing Called

OKLAHOMA CITY — The Oklahoma state insurance board has called a hearing for July 19 on all classifications of employers liability and compensation rates. Among other subjects to be considered are Plan "D" and interstate experience rating.

Average Benefits Up 350%

NEW YORK — In reviewing the 35th anniversary of the workmen's compensation act in New York, Miss Mary Donlon, chairman of the workmen's compensation board, cited some comparative statistics. In 1914 the average benefits per case were \$167, compared with \$605 in 1948. Cash benefits exclusive of medical care totaled \$6,604,000 in 1914 and \$67,956,369 in 1948.

Maximum weekly cash benefits have gradually increased from \$20 to \$25 to \$28 to \$32. Miss Donlon pointed out that with the new non-occupational disability benefits law, effective next year, workers in New York will have on and off the job coverage.

\$235,000 Personal Accident Loss on Bombay Air Crash

Personal accident claim payments on 17 of the 31 persons killed on a Dutch KLM constellation plane crash near Bombay will total \$235,000.

Continental Casualty issued a special policy on the 13 American newspaper men in the amount of \$10,000 per person. The insurance was arranged by the Netherlands Information Bureau covering the air trip only. One of the news men had an extra \$10,000 under a group policy with his employer. That also was with Continental Casualty, as was a \$40,000 travel accident policy on the public relations guide assigned to the trip by the Netherlands bureau.

Indemnity of North America carried accident policies on three of the passengers amounting to \$55,000.

The unscheduled Standard airliner that crashed at Los Angeles last week was insured in Lloyds of London through the Seattle office of D. K. McDonald Co., surplus line broker.

Lloyds liability is reported at \$25,000 per seat. It is also reported that Industrial Indemnity of San Francisco carried the compensation coverage.

To F.&D. Executive Committee

Beverly H. Mercer, first vice-president of Fidelity & Deposit, has been elected to the executive committee of the board to succeed the late Joshua N. Warfield.

Mr. Mercer has been with F.&D. throughout his entire business life. He was elected vice-president in charge of the judicial department in 1933, and became second vice-president in 1944. Two years later he was elected a director, and in February, 1948, he became first vice-president.

To Go on Full Line Basis

Stockholders of American Motorists at a special meeting July 25, are voting on an amendment authorizing the company to write fire and marine as well as casualty coverages.

Lieut. Fuller, in command of the Los Angeles police motorcycle department, spoke before Casualty Insurance Adjusters Assn. on "Skid Marks in Relation to Traffic Investigations."

Yes Sir!
Every Good Insurance Man
sometimes feels like this Fellow!
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"There must have been a slip up somewhere along the line."

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PERSONALS

Fred W. Braun, vice-president and chief engineer of Employers Mutual Liability, has been elected president of the board of education of Wausau, Wis. He has been a member of the board since 1933.

R. L. Cochrane of Great American Indemnity has been elected general chairman of the Georgia chapter of American Society of Safety Engineers. John S. English of the engineering department of Royal-Liverpool was elected secretary-treasurer.

Walter L. Flynn, manager of the research department of National Surety, is co-author with Joseph Getz, certified public accountant, of an article, "What Can Be Done About Employee Dishonesty?" in the July issue of "Credit & Financial Management" magazine. This is the publication of the National Assn. of Credit Men. The article recommends preventive measures by care in hiring, by internal controls and frequent audits, and by fidelity bonds.

L. P. Gibbs, Texas casualty commissioner, who suffered a heart attack at Amarillo on his way to the N.A.I.A. at Seattle, has been released from the hospital and is now at his home at Austin.

Atomic Energy Field Given Casualty Coverage

(CONTINUED FROM PAGE 4)

in the state of Washington, Los Alamos Scientific Laboratory in New Mexico, Argonne National Laboratory at Chicago, and University of California's Radiation Laboratory at Berkeley.

"Under the survey system, each plant and laboratory furnishes the association representative with a list of the job titles for all its employees. The association representative then surveys these positions and assigns a code number to each job title. This is done by analogy to similar jobs in a known field such as the chemical industry. The coded ratios and ratings are designed to cover the total occupational hazard, that is both the usual occupational hazard and the hazard peculiar to the industry. Only a very small percentage of the jobs have to be rated up due to hazards peculiar to the industry. This refers to operating and research jobs and does not include administrative jobs.

"When an employee applies for life insurance under this system, he lists his name, his employer, his badge number and his job title. The insurance company then requests his code classification from his employer, and, upon its receipt, is able to determine the degree of risk involved.

"5. Accident and health insurance. "The object is the same for accident and health insurance as for life insurance, namely to enable individuals working on AEC projects to secure insurance from any company they may select. The problem is one of enabling the insurance company to appraise the risk without divulging classified information to it. Perhaps, the code used by the life companies could be employed by the accident and health companies. We know of at least one accident and health company, an associate of a life company, which is successfully using the code. Perhaps, some other method can be developed. The AEC certainly stands ready to discuss ways and means with a representative or group of representatives of the health and accident business.

True Underwriting Judgment

"Representatives of the commission are already engaged in discussions with representatives of the casualty companies, most of whom are members of this group, in the effort to discover mutually acceptable means of communicating information to the companies as a group. The problem, again, is one of providing representatives of the insurance companies sufficient information to enable them to exercise true underwriting judgment within security requirements."

Now Manhattan Casualty

Manhattan Mutual Automobile of New York has been absorbed by Manhattan Casualty, a new company formed early this year for that purpose. Man-

hattan Casualty is licensed to write automobile and property damage coverages. It began with a capital of \$350,000 and a surplus of \$250,000 through sale of stock at \$7.14 a share at a \$10 par. On assumption of the assets and liabilities of Manhattan Mutual Auto, an extra 35,000 shares of stock were issued which raised the new company's capital to \$700,000 and surplus to \$500,000. Officers, all of whom previously held similar positions with the Mutual are: President and general manager, Richard Woike; vice-president and secretary, W. W. Bachmann, and treasurer, Ludwig Weil.

Insurer's Case Prejudiced by Court's Refusal to Tell Jury of Policy Limits

South Carolina supreme court in Stott vs. Wells d/b/a Yellow Cab Co. and Pennsylvania Threshmen & Farmers Mutual Casualty has reversed the decision of the lower court on the ground that the judge erred in refusing upon request, to instruct the jury that the limit of the liability policy was \$5,000. The jury had returned a verdict against the taxicab company and the insurer for \$16,500.

The accident occurred in Anderson, S. C. The insurer requested the court to instruct the jury that its liability was limited by the contract to \$5,000, and the verdict against it should be so restricted. This was refused and the judge instead instructed the jury that it was not to be concerned with the relative liability or the extent of the liability of the insurer. That is a matter that is determined by the insurance policy and if a verdict is rendered for the plaintiff, can be determined later. The judge said he hadn't seen the policy, but the jury could take it with them but he added the statement that the jury is not concerned with the extent of liability of the insurer.

The supreme court said it is no answer to the contention of error to say that the jury was given the policy in their deliberation. It was the duty of the court to construe it, and this he pointedly refused to do upon request. It is as surely prejudicial to a defendant to introduce into the trial the element of insurance where permissible as here, and withhold from the jury knowledge of the limit of such insurance as it is to introduce it at all where it is not permissible. It may be said with logic that the prejudice begins in the latter case at zero and in the former, using the figure applicable to the case in hand, it begins at \$5,000. Reversal of the judgment against the taxicab operator carries with it of necessity, reversal of the judgment against the insurer.

G. W. Schmutte, Jr., Indiana state agent for Corroon & Reynolds, has moved his office from the Security Trust building, Indianapolis, to 818 Fletcher Trust building. Harold L. Newton, state agent of Boston, has moved to the same address, also from the Security Trust building.

Turner Retires After Long Casualty Career

George E. Turner has retired as Chicago administrator of the Acquisition Cost Conferences.

He plans to write a book on Civil War railroads and the Copperhead movement in the northwest.

Mr. Turner started in 1908 as an insurance attorney in Indianapolis. During the first war he was Indiana deputy state auditor in charge of the insurance department. This was before the commissioners office became a separate entity. He resigned to become president and general counsel of Insurance Federation of America. Mr. Turner was manager of the old Casualty Information Clearing House of Chicago, and he was active in the formation of Assn. of Casualty & Surety Companies.

In 1930 he became president of First



G. E. Turner

Reinsurance of Hartford, and in 1936 resigned to become Chicago administrator of the Acquisition Cost Conferences and chairman of the Cook county council of this organization.

Mr. Turner is a graduate of DePauw University and Indiana Law School.

Allstate Shifts Williams


Henry Gardner, sales manager of the Milwaukee branch of Allstate, has been promoted to the staff of E. F. Williams, vice-president and general sales manager in Chicago. Mr. Gardner will handle sales supervisory and research assignments. At the Milwaukee branch, Carl F. Krieg, assistant sales manager at Los Angeles, succeeds Mr. Gardner.

SEC Reports Transactions

In the summary of security transactions and holdings reported to the SEC for the period May 11-June 10, it is shown that George L. Radcliffe sold 20 shares of Fidelity & Deposit and now has 660 shares and Fred C. Robertson acquired 10 shares which constitutes his holdings; Fred L. Lutes acquired 90 shares of National Union of Washington, D. C., and now has 100 shares.

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insurance

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chicago 3, illinois55 liberty street
new york 5, n. y.

Agents Protest Red Cross Blanket Insurance Plan

(CONTINUED FROM PAGE 15)

would apply—in South Carolina the law calls for payment of 50% of the premium to the countersigning S. C. agent on this type of business.

A claim or loss is to be referred to the nearest Travelers branch office, when the plan becomes effective Sept. 1. N.A.I.A. raises the question: Does this mean Travelers agents, who will not participate in commissions, will service the business, or that Red Cross chapters will have to go to branch offices, which may be some distance away, for service?

Plan D Type Program

It is understood the program is a plan D type, but that plan has not been OK'd by many of the most populous states.

Red Cross already is covered for automobile non-ownership and general liability on a national basis, and N.A.I.A. recognizes the correctness of this. A national Red Cross representative may be in Oscaloosa and drive a local car, etc., but the association members do object to using a national plan for auto and workmen's compensation.

The Red Cross has indicated it won't cover auto fire and theft and fire risks, and N.A.I.A. wonders why not. It doubts the new plan will save much in way of costs. N.A.I.A. has offered to set up a plan that will save Red Cross money and still retain local agents' services for the local chapters, but this has been turned down.

Protest in Missouri

Following the lead of N.A.I.A. John J. O'Toole, president of the Missouri association, has joined in condemning the Red Cross plan, which calls for immediate dropping of all locally written policies expiring between now and Sept. 1 that would be in conflict with the master plan.

Mr. O'Toole has protested to the midwest director of the Red Cross. His telegram was similar to that sent by John C. Stott, president of the National association, to Basil O'Connor, president of American Red Cross, urging reconsideration and deferment of the plan and asking for an early reply.

United Natl. Ups Anders

United National Indemnity has named Henry H. Anders superintendent and Frederick B. Garlick assistant superintendent of the accident prevention department. Mr. Anders will also be superintendent of the payroll audit department.

Mr. Anders started in insurance as a clerk with Penn Mutual Life, 1933-37. He became insurance manager for R.C.A. Victor from 1937 until he joined the safety engineering department of Indemnity of North America in 1941. He attended Drexel Institute, and Temple University and has taken courses at Pennsylvania, North Carolina State and Yale.

Mr. Garlick is a civil engineering graduate from Tri-State College in Indiana in 1931. He was an engineer and surveyor for several contractors and then became inspector for the Connecticut highway department, joining Travelers in 1937. In 1939 he joined New Amsterdam Casualty at Boston as supervisor of safety engineering and payroll audit in New England. He became the first safety engineer for United National in 1944.

Jones Joins Buckeye Union

Lester S. Jones, formerly manager of Glens Falls Indemnity at Columbus, has been appointed special representative for the liability, burglary and bonding departments of Buckeye Union Casualty. Russell W. O'Neal, formerly of the Ohio automobile underwriting staff, has been appointed special agent for the fire and casualty companies in southeastern Ohio, succeeding John Martin, transferred to the home office.

Insurers Urged to Credit Truckers' Safety Standards

(CONTINUED FROM PAGE 15)

cargo liability as limited self insurers, with the insurance company responsible only for losses in excess of the deductible.

The ICC position on self insurance was outlined by Garrett Swain, acting chief of the ICC motor carriers insurance division.

Limits Set by ICC

Mr. Swain called attention to the fact that ICC, after extensive hearings, had set minimum motor carrier insurance requirements of \$5,000/\$10,000 for B.I.; \$1,000 for P.D., and cargo limits of \$1,000 with respect to property carried on one motor vehicle and \$2,000 with respect to all property lost or damaged at any one time and place.

At the same time ICC decided that each certificate or policy of insurance or surety bond filed with it must be for not less than the full limits of liability prescribed," Mr. Swain said. This, of course, precludes approval of partial self insurance within the prescribed limits of liability since that would involve approval of insurance for less than the full limits prescribed.

Aware of Contribution Difficulties

In establishing this policy, Mr. Swain said ICC was cognizant of the possibility of delays in claim settlement because of controversies between the primary and excess insurers with respect to contribution, but added the contribution question could just as well arise between a motor carrier and an insurer under a policy of excess insurance or one providing for deductibles.

Mr. Swain also explained the commission's refusal to permit carriers to self insure only one line of coverage. Although there is nothing in the rules requiring a carrier to qualify as a complete self insurer on all lines, ICC has followed this course as a matter of policy, because there are not sufficient funds for the commission to determine that the carrier is strong enough financially and that its record for handling claims is good.

Cash Sickness Committee

Bureau of A. & H. Underwriters has established a cash sickness insurance committee to assist member companies in writing coverage under the New York, New Jersey and California cash sickness laws. A bulletin will circulate information on the laws, regulations and interpretations.

A poll taken by the bureau of its members showed that a substantial majority were preparing to write coverage under the New York law and that by virtue of this decision several companies not now writing coverage in California and New Jersey would commence doing so soon.

The committee is composed of P. J. Burns, Eagle-Globe-Royal, chairman; Howard A. Moreen, Aetna Life; Francis T. Curran, Commercial Casualty; C. Manton Eddy, Connecticut General Life; Harry V. Williams, Hartford Accident; E. H. Marshall, Indemnity of North America; and George E. Light, Travelers.

Bargar to American Bankers

H. H. Bargar has been elected vice-president of American Bankers of Miami. Formerly he was with Eureka Casualty as superintendent of agencies, Trinity Universal as eastern department manager, and American Indemnity as Ohio manager. Retrospective Underwriters are U. S. general agents for the company, which now is licensed in 14 states.

Superintendent Robert E. Dineen of New York has departed for Europe by air. While visiting England, it is expected he will confer with Roy McCullough and George Kline of the New York department, who are studying insurance methods of that country.

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One-Write Policy System Is Devised

(CONTINUED FROM PAGE 17)

envelopes are said to be unique with National Surety.

The basic pattern of the policy is standardized to show above the masthead on the declaration section all items concerning insured, and below the masthead, all items concerning the coverage. Policy periods and premium amounts will always appear in standard positions, not as items 9 and 6 in one policy and 3 and 5 in the other.

All the agent needs to do if he spoils a declarations section is to tear off the top half with the number on it and return it to the home office. The home office now has a policy register, but it is replacing this with an index file system, where the dead policy number would be recorded.

Few companies have tackled the actual policy form, as the tangible commodity that is sold by agents, particularly forms used in limited quantities. National Surety is following the same design for all forms.

Example of Saved Effort

The reduction in policy writing operations is illustrated with the office burglary and robbery policy. Prior to redesigning the policy, there were 31 separate operations. These included: Removing stubs from two of the three dailies, selecting three sheets of carbon, inserting carbon between first and second dailies, placing carbon over first daily to top and under stub, jog to assure proper registration for typing, place carbon interleaved dailies carefully within regular fold of policy form, check all copies for proper registration, insert in typewriter, type consideration clause, spelling out premium amount and repeat amount in arabic numerals; type assured's name under indemnification agreement, type dates within policy period statement, remove from typewriter, separate dailies from policy, reverse-fold policy to bring page 3 into top position, place carbon interleaved dailies carefully within reverse fold of policy form, check for proper registration, insert in typewriter, type declarations, remove from typewriter, separate dailies from policy, check dailies for proper registration, insert dailies in typewriter, type code box of stub, remove from typewriter, remove from carbons separating dailies, reverse-fold policy at top to normal position, fold policy at one of the regular folding points, insert policy in typewriter, type index, remove from typewriter. In contrast, the new policy requires the following operations: Insert carbon-loaded declarations set in typewriter, type declarations, remove from typewriter, and snap apart. That is all.

PARCHMENT CARBON

In addition to the information the agency fills in on the declarations section, the parchment carbon at the home office is filled in with information that the home office needs—collection, commissions, class of business, inspection, audit, etc. The declarations are so laid out and the parchment carbon is so designed that the information on one dovetails into the other. The daily is completed at the home office in pencil, initialed wherever necessary, etc.

Then the parchment carbon becomes a printing "plate" from which an offset duplicating machine can and does in a matter of seconds print off the following: A full copy on a manila folder which becomes the file folder; the various information and statistical cards that are needed in the home office on the line which the policy covers. The copies are excellent, the pencil notations are as clear as the original. Thus the policy folder does not have to be typed. The parchment carbon is thrown away after it is used to duplicate the file folder and cards that are needed. These cards include an I.B.M. collection card,

numerical index card, central file card, history card, etc. The one offset machine now does the work of about four ditto machines. The offset machine was adapted from the basic machine with a hand feed platform, using both hand and mechanical feeds, shifting from one to the other simply by throwing a switch thus eliminating washing the blanket. This is unusual.

Complete One-Write System

National Surety's is said to be the first complete one-write policy system in insurance. This was accomplished as a result of an extensive study of existing duplicating systems. Offset, as a duplicating method through the use of paper offset plates, offered the only promising solution. However, a plate to be used under carbon and later withstand the abuse of many handlings from the agents' office through to the time of final processing at the home office imposed the first of many exacting requirements. Such a plate was developed and supplied by the Repicia Products Corp. This parchment plate, being non-sensitive, requires no hand washing to remove finger prints and smudges, an important factor in attaining real high speed machine production.

Not only does the system do away with a lot of work by the agent but it eliminates all company typing in recording business when the agent types the policy thereby enabling faster servicing of the agent's business. At the home office there is an increased duplicating machine production per working hour, reduction in number of clerical handling operations which expedites the registration procedure. Also, the master "plate" reproduces all data, printed, typed or written on blank card stock or paper so as to eliminate the cost of buying several printed cards and forms, cost of handling and stocking them, eliminates errors through faulty transcription of data, errors through transposition of policy numbers, and provides more complete index cards. The latter reduces the requests for the complete file by various departments, particularly payroll audit and inspection, which often want it at the same time. Previously a girl at the home office had to abstract the information for the ditto machine, and much of the information was abbreviated. With reproduction by the present process, the index card is complete. It reduces file space by reproducing the complete daily report on the file jacket.

All forms are reproduced in legible black ink and cannot fade. The offset master reproduces forms from 3 by 5 inch file cards to 8 1/2 x 11 inch copies of the complete daily report. In other words, the present reproduction is larger in area, compared with ditto machines.

Bureau Cuts Auto Rates in Colorado and N. D.

National Bureau of Casualty Underwriters has announced decreases in automobile liability rates for Colorado and North Dakota. Coverages affected and the average percentage changes statewide are:

	Private Passenger	Commercial
B. I.	3.7%	7.6%
P. D.	3.8	3.7
North Dakota:		
B. I.	9.6	..
P. D.	16.7	..

Traffic Article Reprinted

NEW YORK—Reprints of a forcefully-written article, "Horror Is Not Enough" which appeared in a recent issue of "Woman's Home Companion" are now available from the accident prevention department of Assn. of Casualty & Surety Companies.

Describing the "chaotic hodgepodge" of traffic laws, this article brings home

grim facts on the tragic and needless accidents caused by contradictory regulations among neighboring states. The writer emphasizes the need for uniform traffic regulations, pointing out that a set of sensible and flexible state laws has already been formulated by traffic engineering experts, particularly through the President's Highway Safety Conferences. He pleads for an aroused public opinion to put this practical code into effect throughout the country.

The article is reproduced in attractive format, featuring the striking photograph that originally accompanied it. Reprints may be purchased in quantity and single copies may be obtained without charge.

Independent Bookkeeper's Bond Introduced in Texas

There has now been in use in Texas for about six months an independent bookkeeper's fidelity bond, for purchase by small businesses that do not need a full time auditor or bookkeeper, but who depend on those who may keep the books and do auditing for several employers. The rate is \$10 per \$1,000 with an annual minimum of \$25.

The bond is a fidelity coverage and includes not only the independent bookkeeper but his employees who, through larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication or any other act of fraud or dishonesty, cause the employer loss. The liability is non-cumulative, and there is a salvage and cancellation clause. The employer must furnish the surety affirmative proof of loss within 100 days after discovery of the loss, and legal proceedings for recovery under the bond may not be brought after 28 months after the cause of action shall have occurred.

Many small businesses use part time auditors or CPAs, and it is understood that the amount of such part time work has increased greatly since the income tax rates became high and even small business have had to keep books in apple pie order.

Water Damage Exclusion Is Held to Be Nullified

Despite the water damage exclusion in a liability policy the Pennsylvania supreme court has held Massachusetts Bonding liable for such a loss because in the coverage analysis it was stated the coverage was on "Photographers—Commercial—all operations including studios" opposite which were stated the premium bases and rates. The lower court had held for the assured and the superior court for Massachusetts Bonding. The assured was Newman, t. a. Newman-Schmidt Studios.

During the night of Aug. 17, 1944, a hose in the studio through which water was flowing for washing negatives became partially disconnected and the property of the tenant below was damaged. The supreme court seconded the view of the lower court that the insurer is chargeable with knowledge of the "operation" in the business of the assured and may not be heard to say that it did not know the method employed in the washing of negatives and the use of flowing water for that purpose.

The supreme court said the typewritten matter referring to "all operations—including studios" must be given effect to the exclusion of the printed portions in the exclusion clause and that the assumption of liability for water damage resulting from commercial operations is directly within the insuring agreement and the coverage analysis covering all operations including studios.

Toronto Accountants Elect

R. K. Sinclair, of U. S. F. & G., has been elected president of the Toronto chapter, Insurance Accountants Assn. Vice-president is R. Helliwell, Recording & Statistical Assn.; treasurer, R. Walker, General Exchange; secretary, S. W. Tiffin, Underwriters Survey.

WANT ADS

Only once in a lifetime does a Fidelity, Surety & Burglary Underwriter-Production Man get an opportunity like this. Agency Mutual Casualty Company needs a man for the Chicago office with at least 15 years experience in these lines who wants and can do a bigger job. Opportunity unlimited. Must have excellent performance record. Salary open. Give all details in first letter. Address V-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

An Important Position

A prominent Eastern Non-Conference stock Casualty and Surety Company is seeking the services of an outstanding production man for its Chicago Branch Office. This position offers an unusual opportunity for an experienced producer who is looking toward the future. Prefer a man under 40. Salary open. Replies kept confidential. Write full history to Box No. V-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY MANAGER — WANTED

Must be well grounded in all forms of Fire and Casualty in Illinois and understand production. This position is open only to a man of outstanding ability. Write giving all details as to background, experience and starting salary requirements. All replies treated confidentially. No references contacted without permission. Address V-32, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Mutual Casualty Company wants experienced Bond and Burglary Special Agent for Midwest. Expanding business requires man capable of top production and salary. Give experience and personal information. Address V-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Philadelphia Office of a Mutual Insurance Company is looking for a young, experienced bond and burglary underwriter. This is a real chance for a young man to grow with a progressive company. Write giving age, experience and personal data. Address V-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ENGINEERING PROBLEMS?

Why not try some new ideas? Experienced man available. Set up complete new program: men, forms and procedure. No obligation for inquiries. Extensive interview desired for your satisfaction. Address V-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Seeking General Agency Representation, from a multiple line casualty company, for about thirty counties adjoining Cincinnati, Ohio. Address V-34, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wanted Man or Woman with office experience in general insurance capable of managing office doing over half million. Midwest. Write Box V-33, c/o National Underwriter giving age, qualifications, salary expected. 175 W. Jackson Blvd., Chicago 4, Illinois.

CLAIM ADJUSTER AVAILABLE

Five years' experience, compensation, auto claims, bonds, etc. Ten years legal experience. Expert investigator. Wants place as claim adjuster, manager of claims office or attorney for reputable insurance company, railroad company, etc. Anywhere in Illinois or St. Louis. Address V-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Gambrel-Stubbs Merges With Mann, Kerdolff at K. C.

The Kansas City agencies of Gambrel-Stubbs and Mann, Kerdolff, Kline & Welsh have consolidated.

Harry M. Gambrel and Stephen Stubbs become general partners with Sam E. Giles, George W. Kerdolff, Leonard C. Kline, Homer B. Mann, Robert H. Mann, William J. Welsh and Reynolds Barnum, and the combined organizations will move in August into enlarged quarters occupying the seventh floor of the Fairfax building.

The firm name will be Mann, Kerdolff, Kline & Welsh.

Harry M. Gambrel and Stephen Stubbs, who are brothers-in-law, organized their partnership in 1932. Gambrel-Stubbs had agency contracts with Travelers, Fidelity & Deposit, State of Pennsylvania, Sentinel Fire, Royal, Connecticut General Life, Phoenix Assurance, American of New Jersey and North River. All of these companies are going along under the new partnership.

Mann, Kerdolff, Kline & Welsh also represents Aetna, Buffalo, Citizens, Central Surety, Columbia Casualty Company, Connecticut Fire, Federal, Home, Jersey, London & Lancashire Indemnity, Millers National, National Surety Marine, New York Fire, Ocean Accident, Pacific Fire, Pearl Assurance, Westchester Fire, and brokers at London Lloyds.

Mann, Kerdolff, Kline & Welsh is probably the oldest continuously operated insurance agency in Kansas City, being originally established in 1866.

George Kerdolff, Reynolds Barnum, Harry Gambrel, Robert H. Mann and Stephen Stubbs are all past presidents of the Kansas City Insurance Agents Assn. William J. Welsh and Harry M. Gambrel have served two terms as presidents of the Missouri Assn. of Insurance Agents. Sam E. Giles is a product of the Missouri Inspection Bureau but has been in the agency business for years. Leonard C. Kline is widely known in aviation insurance circles and Mann, Kerdolff, Kline & Welsh are large writers of this class. Homer B. Mann, who is 80 is one of the veterans of the business west of the Mississippi. The new organization comprises some 65 persons, employees and producers.

Mann, Kerdolff, Kline & Welsh will move its New York office from 90 John street to 80 Maiden Lane with J. E. Jessen as its resident partner.

Milwaukee Extension Course

MILWAUKEE—The University of Wisconsin extension division at Milwaukee will again offer a fire and casualty course at Extension building here the coming fall and winter. Harold C. Watson, former field man and now with the Baerwald, Hoffman Co. agency, will be in charge of classes, beginning in September. On Wednesday evenings, the introductory casualty, surety and fire insurance I course will be repeated by request from newer men and women in the agency business. Monday evenings will be devoted to N.A.I.A. casualty, surety and fire insurance IV course for advanced agents.

Open Forum at Wichita

Wichita Assn. of Insurance Agents held a mid-summer "open forum" meeting at which the "Letters for Freedom" program was discussed. George Gow, newscaster of radio station KANS, who won recognition in the national board contest for radio stations, will speak at the next meeting.

Agency Management Seminar at U. of Wisconsin

MADISON, WIS.—University of Wisconsin will conduct an agency management conference and refresher short course in fire and casualty insurance on the campus Aug. 16-19, under direction of E. A. Gaumnitz, insurance professor of the school of commerce. The annual insurance seminar this year will be for agency owners or those anticipating to have their own agencies, rather than for the general run of agency employees and solicitors.

Centering around agency management, the school has secured Richard E. Farrer, educational director N.A.I.A., to teach building agency prestige, and R. J. Layton, Rough Notes Co., Indianapolis, to cover agency management. The third topic, agency ownership, will be handled by a nationally recognized attorney yet to be announced.

Wisconsin Assn. of Insurance Agents and other agent groups are cooperating with the university. Prof. Gaumnitz announced the total charge per person for the course, including room, board and text material, will be \$35. He is now accepting registrations at Sterling Hall on the campus, or they may be made through Urban Krier, executive secretary, W.A.I.A., Milwaukee.

Minn. Hail Business Off

MINNEAPOLIS—Hail business dropped off abruptly around the middle of July as crop prospects took an unfavorable turn in several sections of this territory. A number of requests for cancellations also came in to Minneapolis offices from farmers who have given up hopes for a crop.

A total premium volume about 25% under last year in Minnesota, North and South Dakota is reported by some companies. Loss ratios, however, are favorable and these companies expect a satisfactory underwriting year unless there are heavy losses in the next month. The small grain liability is practically out of the way in Minnesota and southern South Dakota.

Calls Kan. Steering Group

George F. Bacon of Eldorado, president of Kansas Assn. of Insurance Agents, has announced a meeting of the executive committee at Topeka, probably Aug. 18-19. Plans for the annual meeting at Topeka Oct. 19-21 will be discussed.

COAST

90-Day Insurance Course at U. of C. to Start Sept. 13

The University of California will conduct a three months' course in general insurance, scheduled to meet twice a week beginning Sept. 13, at its downtown Los Angeles center.

The course will have two sections, both meeting on consecutive Tuesday and Thursday. Walter W. Bennett will be instructor and leader, with lectures by authorities scheduled among the 24 meetings.

The course will cover fundamentals of fire and casualty insurance. It is a prerequisite for more advanced C.P.C.U. courses.

New Nevada Gen'l Agent

Pacific National Fire has appointed James V. Corica as general agent for Nevada. He succeeds L. R. Eby & Co.,

who resigned the company's representation July 1, when the Eby office discontinued business as a general agency.

Mr. Corica began his career in 1923 with Nevada Fire and was transferred to Reno in 1929. In 1936, when the Eby office became general agent for Nevada, Corica was made manager of the general agency's interests in that state.

Idaho Agents Association Tells Annual Meeting Plans

President R. O. Weisel of Idaho Assn. of Insurance Agents has announced that convention plans for the annual meeting to be held Sept. 8-10 at McCall have been completed.

John C. Stott, president of National Assn. of Insurance Agents, will be the honored guest and principal speaker.

John Henry Martin, San Francisco, manager of Standard Forms Bureau, will speak on "The Ups and Downs of an Inventory, or the Operation of a Professional Reporting Form in Slow Motion." This will be a return engagement for Mr. Martin, who addressed the Idaho agents two years ago.

Payton R. Wise, superintendent of the inland marine department of Boston-Old Colony on the coast, will speak on inland marine coverages.

Earl H. Brockman, general manager of Idaho Egg Producers, will talk on insurance from the standpoint of a buyer.

Twin City to Deans & Homer

Deans & Homer have been appointed general agents for Twin City Fire in California and Arizona, replacing L. R. Eby & Co. They have previously represented Twin City for Oregon only.

Friday Joins McCollister

Nelson Friday, who has been with American-Associated companies at Portland, has returned to Seattle and has joined McCollister & Co. general agency as superintendent of production. He had been with American-Associated since 1932.

Two More States Added

Cravens, Dargan & Co. have been appointed general agents for West American of Los Angeles in Washington and Oregon. They have represented the company in California for some time.

B. B. Rennie, special representative of Founders Fire & Marine, has resigned to become manager of the insurance department of Los Angeles Safe Deposit Co. He joined Founders in January as a special representative to make a survey of blanket bonds carried by financial institutions.

Lewis L. McHone has purchased the insurance and real estate business of the Rouse & McHone agency at Colorado Springs. He has taken in his son, L. L. McHone, Jr. Mr. Rouse, one of the former partners, will work out of the new McHone offices.

EAST

W. Va. Assn. to Hold Annual Meeting Aug. 8-10

Plans have been completed for the 50th annual meeting of West Virginia Assn. of Insurance Agents to be held Aug. 8-10, at Greenbrier Hotel, White Sulphur Springs.

The program will get under way Sunday, August 7 with a dinner honoring the past presidents of the organization.

The formal program will begin Monday morning with a section dealing with casualty problems. Charles H. Bokman,

Pittsburgh, vice-president New Amsterdam Casualty, will act as moderator and speakers will include Francis W. Potter, field supervisor Aetna Casualty; E. H. Leucke, production supervisor Fidelity & Casualty, and James O'Connor, editor F. C. & S. Bulletins.

Jimmy Swann, New York humorist, will entertain at the banquet Monday evening, at which time Arch Keller, Huntington, association president, will preside.

With Bernard Flood, state agent Royal-Liverpool, as moderator, the fire section will begin Tuesday morning. To be heard on that program are E. H. Davies, assistant secretary Phoenix of England, W. C. Feimster, General Adjustment Bureau, and John C. Stott, president National Assn. of Insurance Agents.

Golf and bridge tournaments will be held during the free afternoon periods. The meeting will be concluded with the executive session Wednesday morning.

Approximately 300 persons, including outstanding and high-ranking company officials, are expected to attend.

Toensmeier Expands

The Philadelphia office of Toensmeier Adjustment Service has moved to larger quarters at 341 Walnut street, and a physical damage department has been established under Donald J. Weeks. He was five years with Home in the adjustment of physical damage losses in New York, New Jersey, Wisconsin and Ohio, and later was manager of the Philadelphia office of General Inspection Co., an affiliate of Mid-States of Chicago. The office is now staffed to supply a complete multiple line adjustment service.

SOUTH

Suit Filed to Test \$100 Mandatory Deductible in Tex.

Jess D. Carter, an Austin attorney, has filed suit in district court there to test the constitutionality of the mandatory \$100 deductible clause in all windstorm, hurricane and hail policies in Texas. He has asked the court to set aside an order of the Texas board of commissioners (reissued June 13) requiring that clause to be used in all policies.

If the order cannot be set aside, Carter asks that it be modified to permit persons to buy the full coverage at a higher rate. The mandatory \$100 deductible has been in effect since Sept. 1, 1946.

After a public hearing on the deductible June 2, the commissioners reissued the order on June 13 giving 10 reasons for so doing, but adding that they do not consider the question closed.

Louisville Agency Shifts

George D. Gorin, Louisville, has withdrawn from the Dugan, Danforth & Gorin agency to become a member of the firm of Robinson, Wilson & Long. The agencies' names have become Dugan Danforth & Co. and Robinson, Long, Gorin & Wilson.

Julian J. Fleming, Jr., who some months ago left the Fleming-DeLeuil agency to establish a non-board agency, has returned to that agency.

Lewis Ledsinger, Inc., general agents of Atlanta, have been appointed general agents for the Peoples Underwriters department of Fidelity & Guaranty, rather than for Fidelity & Guaranty, as was stated in the June 28 edition.

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WITH a gun slung over his shoulder young James Monroe trudged several miles to school each day through the Virginia forests. His companion was John Marshall who years later as Chief Justice was to administer the oath of office when Monroe became President. In 1774 at the age of sixteen Monroe left his native Westmoreland County to enter the College of William and Mary. Little is known of his life there except that he was one of eight who signed a petition charging that the "Mistress of the College" served the students "scarce and intolerable food" while providing her brother with delicacies.

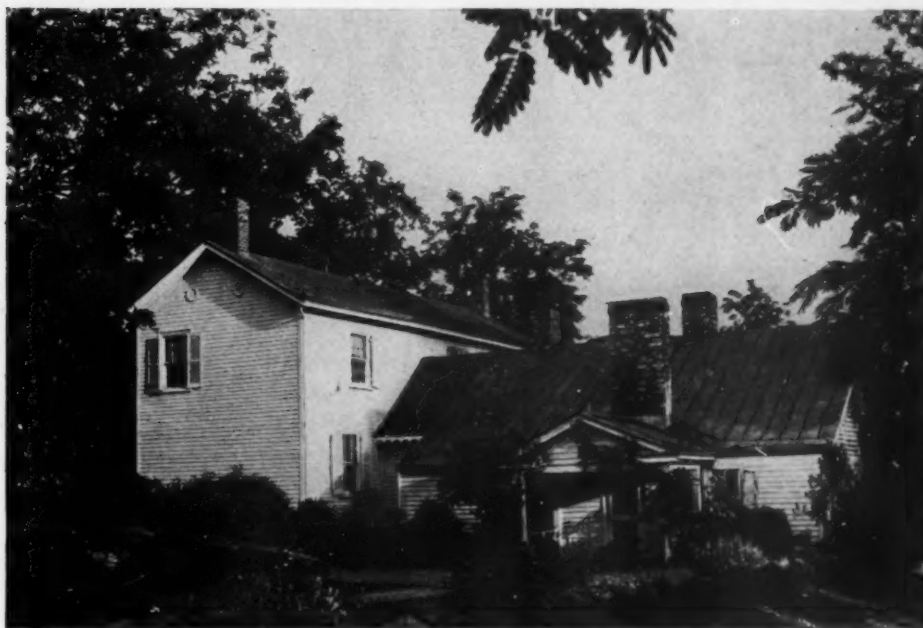
But the nation's struggle for liberty soon blotted out such trivial concerns, and at eighteen as lieutenant in a Virginia regiment Monroe joined Washington's forces in New York. He fought at Harlem and White Plains, was among the first troops to cross the Delaware and was wounded at Trenton. During the battle of Monmouth he acted as a scout for Washington who later wrote of the young Virginian, "He has in



View of his daughter's room

ASH LAWN

"Cabin-castle of the Fifth President"



From this home, two miles distant from Monticello, Monroe used to signal to his friend Thomas Jefferson

every instance maintained the reputation of a brave, active and sensible officer."

When Monroe married the beautiful and aristocratic Elizabeth Kortright, her friends "twitted her with the amiable reflection that she was expected to have done better." Not only was the marriage unusually happy, however, but the "not particularly attractive" Virginia Congressman served three terms as Governor of Virginia, became U. S. Senator, minister to France and to England, Secretary of State, Secretary of War, and was twice elected President.

While a law student, Monroe formed a close friendship with Thomas Jefferson which prompted his acquiring Ash Lawn, a plantation near Monticello, the latter's home, and there he built his "cabin-castle." This one-and-a-half story frame house was completed about 1798 under Jefferson's supervision while Monroe was in France. The gardens of Versailles are believed to have inspired the beautiful boxwood garden which Monroe planted. The twenty-six years he spent at Ash Lawn were the hap-

piest of his career but his election to the Presidency obliged him to leave.

As his years of service to his country left him in straitened circumstances, Monroe was obliged to sell Ash Lawn in

1825. His last days were spent with his daughter in New York where he was a familiar figure in his black velvet knee breeches and buckled shoes.

Considerably enlarged by a subsequent owner, Ash Lawn was restored and opened to the public on Monroe's birthday, April 28, 1930.

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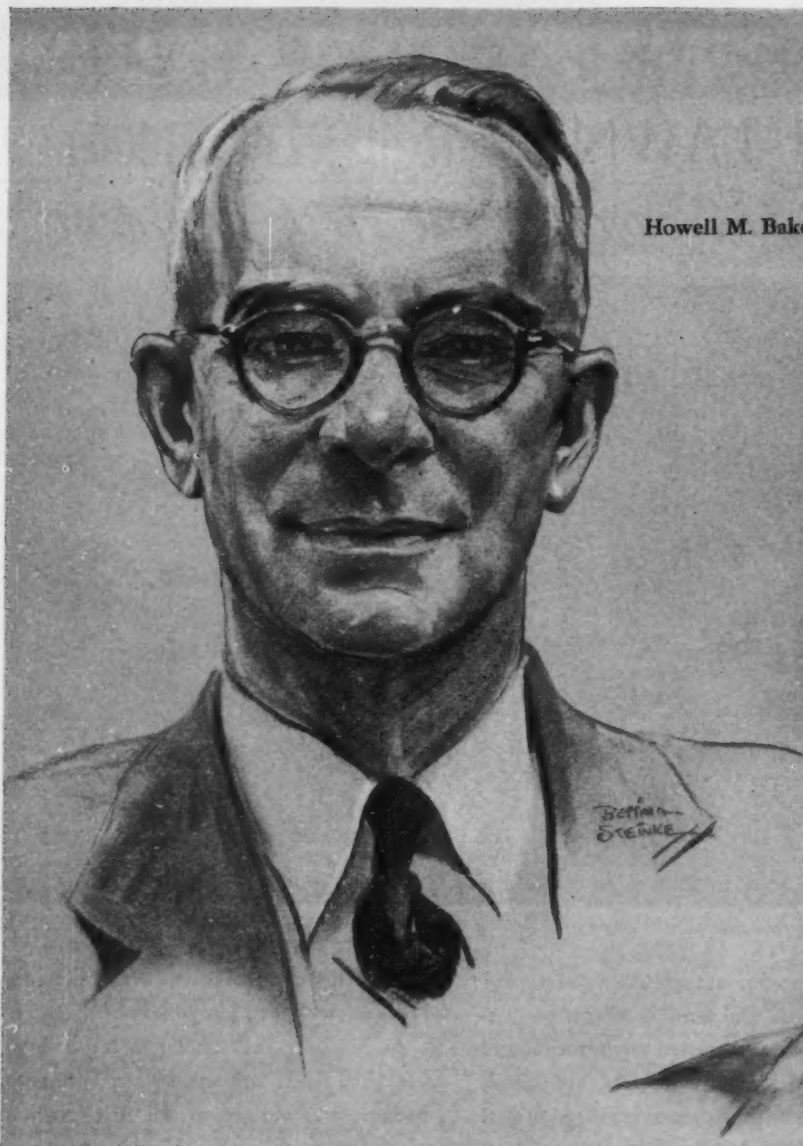
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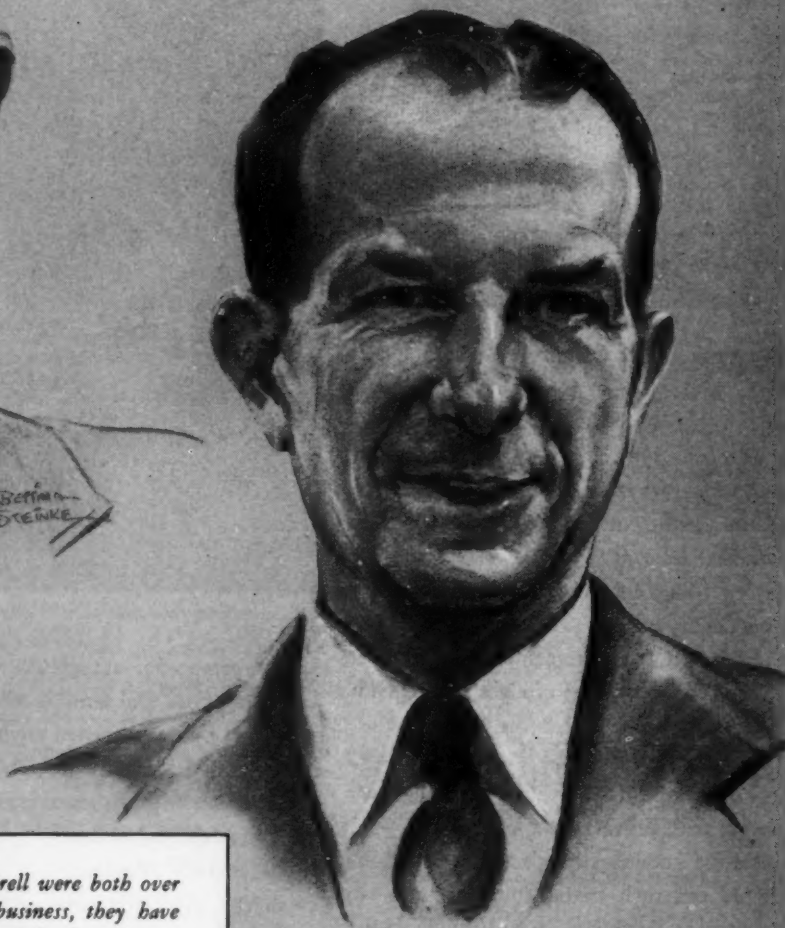
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Nursery in the happy home



Howell M. Baker



Thomas L. Cockrell

Although Howell Baker and Tom Cockrell were both over 40 when they entered the insurance business, they have established an outstanding production record in a comparatively short time — have placed many hundreds of thousands of dollars in premiums with the Aetna Companies. Industrious, conscientious and determined, they have earned an enviable reputation for selling insurance on the highest plane . . . selling it so it meets every expectation of the policyholders. They have the following to say about the Aetna's Sales Course.

"Success in insurance depends largely on early training and direction. The Aetna's Casualty and Surety Sales Course provides the right training and directs one along the right path which leads to ultimate success. In our own case, the Aetna's training in the technicalities of the business — as well as in the technique of selling — has proved of invaluable assistance. We highly recommend this Course to others."

Howell M. Baker
Thomas L. Cockrell

Baker-Cockrell Agency
Richmond, Virginia

AETNA CASUALTY AND SURETY COMPANY



AFFILIATED COMPANIES: AETNA LIFE INSURANCE COMPANY
AUTOMOBILE INSURANCE COMPANY STANDARD FIRE INSURANCE COMPANY
HARTFORD 15, CONNECTICUT



